

BARGAINING ACROSS BOUNDARIES:  
Topic Management in Negotiation  
Discourse

by

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To my mother

Lillian Louise Wilcox Julian

and in memory of my father

Prentice Julian



**Declaration:**

**This thesis is the work of the undersigned  
and has been composed by herself.**

# BARGAINING ACROSS BOUNDARIES: Topic Management in Negotiation Discourse

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## ABSTRACT

Negotiation interaction is of special interest to an Applied Linguist for four reasons;

- the need for applied language research; negotiating -- informal or formal -- is a common speech event in many domains, and investigation into negotiation discourse has been explicitly urged by researchers in other disciplines,
- the usefulness of identifiable goals; negotiators' predetermined goals regarding the items they are bargaining about aid discourse analysis by making it easier to measure how successful the communication has been,
- the presence of special language features; the high transactional content and the strategic nature of the negotiation speech event makes its sociopragmatic and pragmalinguistic demands more obvious than those of general conversation,
- the relevance to English as an International Language; many English language negotiations take place in international domains,

This thesis focuses on the process of topic management in negotiation talk, within the broad framework of Discourse Analysis. Previous negotiation research has largely lacked the insights offered by discourse analysis, and topic management is a particularly effective way of looking at this specialised language use where conflict and cooperation must be served simultaneously,

Research background: The first part of the thesis describes a theoretical model developed in other disciplines (notably social psychology) which sees negotiation from an 'information perspective' as an orderly sequence of stages advanced by information management and the structuring of interpersonal relations. The insights of consultant negotiators expressed in popular books on bargaining technique are surveyed, as informal but experienced ethnographic evidence of fundamental notions of well-formed bargaining language. These insights are discussed in terms of linguistic theory about the pragmatics of discourse. Attention is paid to the effect that context has on meaning, and particular reference is made to the ideas of cooperativeness in conversation.

Analysis: Methodological problems in previous negotiation language research are outlined, and it is shown that discourse analysis based on tracing topic management is a useful supplement to behavioural analysis, as being less reliant on observer inference and more closely related to the dynamics of negotiation interaction. The potential for topic management analysis is illustrated using data collected from experienced negotiators (native- and foreign-language speakers of English) taking part in negotiation simulations.

Applications to training: The thesis ends with recommendations as to what sorts of training -- language and socio-pragmatic -- would best equip negotiators for bargaining, particularly in international settings. Suggestions are put forward for further Applied Linguistic and interdisciplinary research.



# BARGAINING ACROSS BOUNDARIES: Topic Management in Negotiation Discourse

## INTRODUCTION:

Negotiate: *v.* 1599, [*f.* ppl. stem of *L. negotiare*, *f.* *negotium*, *f.* *neg-* not + *otium* ease]

1, *intr.* To confer (*with* another) for the purpose of arranging some matter by mutual agreement; to discuss a matter with a view to a settlement or compromise, 2, *trans.* To deal with, manage, or conduct (a matter, etc., requiring skill or consideration) 1619 ... 4, (*Orig. Hunting.*) To clear (a hedge or fence); to succeed in getting round, over, or through (an obstacle, etc.) 1862

The Shorter Oxford Dictionary, Third Edition

## 0. 1. CONFLICT AND LANGUAGE

Human interaction is characterised less by harmony than by conflict and misunderstanding. Communication does not always overcome this; in fact language may itself constitute one of the obstacles to understanding.

### 0. 1. 1. Conflict + language: negotiation

If as Fisher and Ury say (1981: xi) 'Everyone negotiates something every day', negotiating may be part of virtually any encounter, and a central part of many. So the ability to negotiate informally is a need for all speakers of a language. Negotiation is a universally recognisable behaviour operating in the most simple exchanges -- e.g. food market haggling -- as well as in the most complex --e.g. the Law of the Sea deliberations. The exchanges can be private, or public. They can be brief --a business telephone call-- or protracted --The SALT Talks. They can be routine -- textile-maker and clothing manufacturer -- or a



matter of life and death -- security forces dealing with an airplane hijacker. But in each instance the negotiating process is interactional as well as transactional (in the terms of Brown and Yule, 1983: 1), and failure to control the human relations elements of the performance may mean a failure to get the optimum outcome that the parties could normally expect. Merely coding transactional information (*we want X*) is not sufficient to ensure a satisfactory outcome because the complicated and delicate objective of negotiation is to reach **mutually acceptable agreement** on potentially **mutually incompatible objectives**.

#### 0. 1. 2      **Negotiation + language: research potential**

The analysis of negotiating discourse may be particularly well suited to serve research objectives of two fields of enquiry at once: social science (understanding the negotiation process) and applied linguistics (understanding what contributes to communicative competence). It is a type of **speech event** (i.e. a socially recognisable activity in which speech plays a crucial part; Hymes 1972 & 1986) which has clearly recognisable language demands, analysable in the light of the speakers' clear pragmatic goals.

All social interaction is goal oriented, but often -- as for example in much conversation -- the goals of a particular occasion of speech are neither consciously predetermined nor made explicit during the interaction. In such cases interpreting how successful communication has been depends on a researcher's intuition, or alternatively on intervention either by asking participants to predict (which may of itself alter the ensuing interaction) or by post-event debriefing (in which a participant's intuition may be no more trustworthy than that of the observer her/himself.) Negotiation by contrast is a speech event with not only unconscious social goals, such as e.g. making a good impression, but also recognisable and traceable material bargaining goals. One can measure whether or not the communication has succeeded by examining the negotiating outcomes.

The complex discourse strategies in a speech event where both sides are trying to control revelations but find out as much as possible makes negotiation more difficult to investigate than straight-forward conversational encounters. But the complications are to an extent offset by four research advantages it offers for discourse analysts (used here in a broad sense -- see Chapter Three, Section 3. 1. 2.). We have already mentioned the first advantage, viz. (1) **concrete goals**. In addition, negotiation offers (2) **markedness**, language interaction sufficiently 'different' from general conversation to heighten the observer's consciousness, the awareness-sharpening 'Alienation Effect' discussed by Burton (1980: 101 -117.) A further advantage that negotiation offers the would-be analyst is (3) **the structure of the speech event**. The need for cooperation entailed by mutual dependence not only sets limits on acceptable behaviour but frequently sustains the interaction long enough for potentially significant patterns of interaction and discourse strategy to emerge. Yet unlike general conversation formal negotiation frequently dictates a time limit towards which the participants are working, which defines the episode's boundaries. This predetermined closed end, as well as making the interaction at least potentially manageable for participants, has the effect of making the structure of discourse more obvious; the fact that unlike ordinary conversants, negotiators might easily say "Where have we got so far ?", shows consciousness not only of pragmatic goals, but of their relation to the space allocated to, and to the sequence of, the interaction. A final help that negotiation gives to discourse analysis relates to the substantive content associated with the material negotiation goals mentioned above: this offers (4) **foci of information**, topics which can be traced through a negotiation event (i.e a real occasion of negotiating interaction) to help an observer follow the participants' changing expectations and to act as clues to the cognitive processing that is taking place in their minds.

### 0. 1. 3. International + language: EIL

These four factors can help applied linguists and social scientists

whose objective is a clearer picture of how negotiation, and how language, operates. But I shall argue that, beyond this, there is particular research value in looking at negotiation under the difficult circumstances of cross-cultural communication. The special demands of negotiation discourse in English as an international language highlight aspects of negotiating technique and of communicative competence which go unnoticed when the negotiators share a native language. That leads directly to pedagogical considerations: since English has become *pro tem* the chief international language of commerce, science, and diplomacy (Baldauf and Jernudd 1987), formal negotiating skills are likely professional needs for many speakers of English who are using English as a foreign or second language (referred to in this thesis as Foreign Language Speakers, FLS). They after all now outnumber (Crystal 1988) those speakers who belong to a traditionally English-dominant culture (i.e. 'native speakers' as defined by Davies (forthcoming); referred to in this thesis as Native Language Speakers (NLS).

One final note: in this thesis *international* in conjunction with *English* will be used in this sense: '... an *international* language is one which is used by people of different nations to communicate with one another.' (Smith 1983a :1). *International English* will not be used, but instead Smith's *English as an International Language* (EIL) in order to indicate that what is referred to is not a particular variety of language, but a context of use, in which NLS and FLS alike participate. The pedagogical implications of this for language teachers and negotiation trainers will be set out in Chapter Seven.

## 0. 2 ARGUMENT OF THESIS:

### 0. 2. 1. Research questions

Studies in applied linguistics address issues which are at the same time theoretical and practical. I was motivated to undertake this particular study by a desire to improve certain materials and methods for teaching

English for Specific Purposes. That practical need led step by step through three related questions.

First, what EIL language skills do negotiators need in order to be effective in cross-cultural negotiation? To answer that properly one must ascertain the nature of negotiating skill. On-going attempts by social scientists to determine this have not fully taken account of the centrality of language in negotiation, and there is room for a fresh approach, a linguistic one which can better process and evaluate the language evidence the subject affords. Thus the second question arose: what is effective negotiating discourse? On this issue this thesis will report on what research and the experience of practising negotiators have suggested to date regarding the language skills negotiators need, and how these suggestions fit into linguistic theories about communicative competence. Thinking about that gave rise in turn to the third question: what applied linguistic research techniques can be used to amass factual evidence to test research findings and unsystematic descriptions?

In attempting to answer these questions I decided to focus on the following specific objectives:

- I. Main objective: to determine whether analysis of one discourse feature -- namely the control and development of topic -- shows up strategically significant linguistic features. My hypotheses are that
  - A. the pattern of topic control and development in negotiation discourse offers linguistic evidence of the underlying tactics and goals of negotiators, and
  - B. certain discourse features are associated with particular patterns of topic development.
- II. Secondary objectives: (a) to see to what extent the patterns of topic control and development in data match previous views of negotiation discourse, and (b) to suggest ways in which what is

presently known about negotiation discourse, and what emerges from my data, can contribute to ESP teaching and training materials.

#### 0. 2. 2.      **Organisation of thesis**

With these hypotheses in mind, the first part of this thesis will establish the defining characteristics of the negotiation speech event and will look at what research in various fields has revealed about negotiation.

Specifically, with reference to negotiation **Chapter ONE** will outline

1.      Current views of negotiation, what sort of process it is, and what provides the forward impetus in that process.
2.      Within the various process models, what role and weight is assigned to the interactional skills of negotiators, and what behaviours are thought to be associated with successful outcomes.

This will be followed by two chapters showing how the negotiation process and the interactional skills within it are said to be expressed in language. **Chapter TWO** will look at what negotiation practitioners perceive as 'language' in their context: what they notice, how they interpret its significance, what they recommend or warn against. **Chapter THREE** will place these experienced but linguistically unsystematic comments in the context of some current linguistic theories, speculating as to what the linguistic implications of the negotiating speech situation might be. Attention will be given to the pragmatic goals of language use in negotiation, both as regards information processing and attitude structuring.

With that discussion as a background, I then move on in **Chapters FOUR, FIVE and SIX** to analyse samples of language used by expert EIL negotiators taking part in a training simulation, in particular seeking to identify

- (1)      patterns of topic control that seem to be characteristic of the

negotiation speech event; and as part of them

- (2) some specific language features -- topic development techniques, indirectness, commissive speech acts, question forms -- used by negotiators to further their negotiating goals;
- (3) instances of language use which appear to enable the subjects to demonstrate, reinforce, or manipulate their power, or which impede their doing so.

These chapters will demonstrate how one can use patterns of topic control and development to locate potentially power-enhancing types of exchange in the texts. If within those exchanges particular language features can be found to co-occur with negotiation success or failure, it will indicate that discourse analysis will prove a useful tool in general negotiation research, and will suggest interesting questions regarding both the efficiency of cross-cultural negotiation and possible adverse effects on negotiators in transactions where English is an alternative language for one or both parties.

The final chapter (**Chapter SEVEN**) will consider how better understanding of negotiating discourse has practical applications leading to better negotiation training and associated EIL/ESP syllabuses. In this context, it will discuss

- (1) how, in the light of the findings of previous chapters, linguistic research, and in particular discourse analysis, might best support or corroborate on-going negotiation research undertaken in other disciplines.
- (2) what the pedagogic implications are for teaching and training those who are going primarily to be negotiating in English as an international language.
  - a) for foreign language speakers, what factors should be taken into account in choosing what to teach.
  - b) for native language speakers, what adjustments have to be made to their national language to make it more suitable as an international one.



## CHAPTER ONE: Negotiation

If you would work any man, you must either know his nature, and fashions, and so lead him; or his ends, and so persuade him; or his weaknesses and disadvantages, and so awe him; or those that have interest in him, and so govern him,

Sir Francis Bacon; Essay XLVII *Of Negotiating*

### 1. 1. NEGOTIATION AND LANGUAGE

The purpose of this chapter is to provide a theoretical framework for an analysis of negotiating discourse, drawing on the findings of previous research. In the past most negotiation research has not been focused primarily on language systems, but given that negotiation is language use, studies with other investigative targets have an important context-defining role to play. Motives for undertaking negotiation research have been practical (hopes of predicting the probability of outcomes; training negotiators to get better results) or theoretical (describing a distinctive human interaction so as to better understand human behaviour in general.) Linguistic research adds another motive, that of finding out more about language performance skills by looking at language in a demanding speech event.

Episodes of negotiation are visible all around. The linguistic concept of the question-answer exchange parallels the most fundamental negotiation exchange, as in this (invented) street-market enquiry:

- B. How much do you want for that [*adjective*] vase ?  
 = signal of interest and need to establish whether there is compatibility of demands, coded in a request for relevant information. Modifiers may add extra pressure (e.g. '*dirty old*') or may reveal information about the speaker's attitude ('*highly interesting*')  
 S. Three-fifty, = proposal, coded in statement of preferred outcome  
 B. Okay, I'll take it, = concession and final agreement

Had the buyer queried the price, the bargaining would have been more stereotypical: longer, more adversarial. Even without that, this short exchange contains fundamental context features of negotiation which will be examined later: the consciousness of concrete goals for each party; the assumption of mutual dependence regarding those goals; the patterned sequence of exchanges; the coding and decoding of information; the setting; the respective roles and power of the participants; the interaction between the participants. But a broader view of the subject is necessary before examining these elements. First, consider some definitions of negotiation, to establish what elements they have in common. Then, closely related to definition, we will review ways in which negotiation has been seen and studied to date.

## 1. 2. NEGOTIATION: DEFINING THE PROCESS

### 1. 2. 1. Terminology:

First, is negotiation the same as bargaining? Some writers reserve the term *bargaining* to describe the narrower process of tactical interaction directed at specific goals within the wider context of negotiation settings. For example the social anthropologist Gulliver's description

Negotiation is a process of discovery,...[which] includes the whole range of interaction between the two parties in dispute, (Gulliver 1979; 70-71)

is followed by

Bargaining consists of the presentation and exchange of more or less specific proposals for the terms of agreement on particular issues, (1979; 71)

Social psychologists Morley and Stephenson also offer a separate definition of bargaining as "...the process of negotiating for agreement " (1977: 26), but in their survey of terminology (1977: 15-18) they state explicitly that popularly perceived differences between terms like *negotiation*, *bargaining*, and *diplomacy* reside more in secondary features such as setting and status, than in the primary features of process and



interaction, and they mention other terms which are sometimes used for the same fundamental process: *discussion, collaboration, inquiry, conciliation, consultation, exploration*. For the purposes of this thesis there seems no need to distinguish between 'bargaining' and 'negotiating', and therefore we will follow the majority of writers in accepting the most general definition of both terms, using the terms **negotiation** and **bargaining** interchangeably. Sometimes an additional specific term, **bargaining stage**, will be used to refer to the stage of the interaction when concessions are traded.

#### 1. 2. 1. 1. Definitions

Negotiation has attracted the attention of very disparate groups of researchers, including mathematicians, social psychologists, economists, lawyers and anthropologists, whose various objectives we will look at in a moment. On the analogy of the blind men describing the elephant after each touching just one part, one would expect definitions to be distorted by the varied perspectives of the definers, each discipline placing disproportionate emphasis on the features which have significance to it. Yet there is a surprising degree of homogeneity in often-quoted definitions:

...any form of verbal communication, direct or indirect, whereby parties to a conflict of interest discuss, without recourse to arbitration or other judicial processes, the form of any joint action which they might take to manage a dispute between them. (Morley and Stephenson 1977; 26) (social psychology)

...back and forth communication designed to reach an agreement when you and the other side have some interests that are shared and others that are opposed... (Fisher and Ury 1981; xi) (law)

...[a] process whereby two or more parties attempt to settle what each shall give and take or perform and receive, in a transaction between them. (Rubin and Brown 1975; 1) (social psychology)

...(not verbatim) a mixed motive situation in which individuals must reach inconsistent goals (but not mutually exclusive ones) benefiting them both. (Anatol Rapoport, cited in Donohue 1981a) (economics)

...a form of decision making in which two or more parties talk with one another in an effort to resolve their opposing interests, (Pruitt 1981: xi) (social psychology)

...a process in which two or more entities discuss common and (apparently) different interests and objectives in order to reach an agreement or a compromise (contract) in mutual dependence, because they see benefits in doing so, (Ulijn 1990) (communications)

#### 1. 2. 1. 2. Context features

These definitions suggest some features of the negotiating speech context, 'context' being that essential element in discourse pragmatics defined by Leech (1983: 13) as "...any background knowledge assumed to be shared by s[peaker] and h[earer] and which contributes to h's interpretation of of what s means by a given utterance." Several writers (Bacharach and Lawler 1981: 4-6; Morley & Stephenson 1977: 23ff; Putnam 1985: 225) offer more detailed lists of defining characteristics, based on various studies. These indicate that, regardless of the angle from which one approaches the concept of negotiation, there is general consensus about its involving

- two or more interlocutors, (parties) with
  - no better alternative bargaining opportunities; if their ends would be better served by dealing with someone else, they would do so. (bipolar monopoly)
  - the mandate to make decisions regarding the issues/outcomes (power)
  - definable objectives (goals)
  - lack of independence, in that what one party can achieve depends on what the other decides to do (mutual dependence)
  - interaction constraints, caused by the need to maintain cooperation despite conflict (mixed motive situation)
  - facts, not all of which are known to the other side (information)
- potential for agreement on future action, principles, etc. (outcomes, payoffs)

- incompatible interests, or those perceived as potentially so (**conflict**)
- plans to further party interests -- the behaviour is not all spontaneous (**strategies and tactics**)
- language use to define the goals and drive the process toward agreement (**interaction; talk before action**)

This list is a composite made up of many writers' observations, but the fact that more attention is paid to the psychological and social relations between the parties than to their verbal exchange indicates that linguistics has not yet contributed to the current conscious image of negotiating to the same extent as other disciplines.

#### 1. 2. 1. 3 Process features

The list above sorts definitive features of negotiating into a list of what is needed for there to be negotiation. But another way to approach a description of negotiation is to look at its more dynamic features: what happens when it occurs. Here too there is consensus about the main features, which are generally agreed to be three: (1) a **sequence of stages**, (2) the gathering, analysis and **management of information**, and (3) the manipulation of **interpersonal relations**. These process features have striking parallels in Halliday's three language functions (1978: 112-3) :

*textual* = "...language that is operational in a context of situation..."

*ideational* = "... language about something ... "

*interpersonal* = " [language] ...seeking to influence the attitude and behaviours of others..."

The process features will be taken up in detail when discussing current theoretical models of negotiation in Sections 1.4, 1.5, and 1.6 below. But first I would like to prepare the way by briefly tracing the history of negotiation research and theory.

### 1. 2. 2. Negotiation research

It is the element of conflict that makes negotiation such a rich field of investigation for so many disciplines. Power struggle was the assumption at the heart of the early Game Theory images of negotiation, (see e.g. Luce and Raiffa 1957; Rapoport 1960), power in an archetypal *Zero-Sum* (i.e. winner takes all) contest where to any proposal there were only two possible active responses: attack (that is, refuse and make a counterproposal more favourable to oneself) or concede (agree to what the others want.) Concession was regarded as a sign of weakness.

Images of negotiation have changed, as we will discuss below. But as social behaviour, for Millar, Rogers and Bavelas (1984: 239) "...conflict is conceived as a 'power struggle' over contradictory goals, interests, values, and/or resource distribution..." Language has not been totally overlooked, however, even in these power-oriented models of negotiation behaviour. For researchers who see conflict as residing in people's **actions** (e. g. "... communication is the activity that ultimately defines the conflict" Putnam and Jones 1982a: 275) the objectives are either to describe behaviour in the negotiation interaction, or to link certain behaviours with certain outcomes. Their specific investigative targets have been closely related to current theories about the bargaining process: the existence of stages or phases (eg Douglas 1957; Druckman 1986.) For those investigators who see conflict as primarily the result of people's **motives**, research targets include the structuring of affect and information by manipulating various aspects of communication (see Rubin and Brown 1975), and the degree of cooperation (or otherwise) of behaviour (Pruitt 1981).

#### 1. 2. 2. 1. Bargaining power

Power, loosely defined by Gulliver (1979: 188, quoting Zartman) as "the ability of one party to cause another to change behaviour in an intended direction", is an unconscious factor in all human interaction, but in conflict resolution conscious deployment of power is a crucial factor and may be expected to shape discourse.

Regarding the power conveyed by status or roles, a discourse analyst should remember that bargainers have two voices: a personal one, and an organizational or representational one. In some cases (e.g. shopper haggling over tomatoes at an open market) the two may be virtually the same, but in other cases (management or union spokesperson in a labour dispute) the individual and the official voices may leave different traces in the discourse pragmatic. And roles -- their weight, appropriate behaviour, etc. -- may be seen differently by different cultures.

The third source of power are the numerous situational factors peculiar to a specific negotiation, such things as the domain, the dependence relationship between the parties, the history -- if any -- of previous interaction, and the perception of rights and wrongs (principles; norms of behaviour) in the issues under negotiation. These are bound to have an impact on negotiation language. Situational factors certainly include the facts of the case; enormous power is thought to reside in the party with the greatest control of the facts. However real-life negotiation is multi-factorial: the power-enhancing effects of information on one item or topic may be nullified or masked by counter-effects of ignorance on another topic. It does not seem to have been determined in any studies whether the attitudes and self-presentation of a party are a result of the cumulative, average, self-image of power across all factors, or whether they shift in concert with the topics under discussion at any given moment, i.e. self-esteem (and aggressive behaviour) going up with topics on which negotiators perceive themselves strong, and going down on those where they sense personal weakness. This is one potential research target for discourse analysis.

#### 1. 2. 2. 2. 'Table power' as communication skill

Acceptance of the complexity of bargaining interaction has given rise to speculation as to how negotiation power might be exercised. Two types of power have been postulated (Pruitt 1981: 87ff), **real power** (general power in the world outside the particular negotiation event) and **table**

power (which is event-specific). Of these the second would be seen by a linguist as a situation-specific communicative competence: the ability during the actual encounter to find out about available resources of real power on both sides, and then to communicate one's impression of the power balances appropriately and effectively in order to maximise one's position. We will return to this distinction in Section 1. 6. 2. below.

### 1. 2. 2. 3. Usable power

Although there is consensus on major factors, the orientation of theoretic approaches differs. For example, the compromises which bargaining entails can be viewed in two ways (Bacharach and Lawler 1981: 81-2.) From the **choice perspective** it appears that negotiators are presented with a series of decisions which mean either giving something up and thus losing power, or getting something from the other side and therefore gaining power. However, the history of research has been a steady retreat from the win-lose, mechanically competitive schema of the statisticians, which now seems a rather primitive view. Early attempts to apply social-science coding systems to naturally-occurring negotiations (e.g. use of Bales Interaction Process Analysis --IPA-- by Landsberger 1955) showed that there were significant similarities between negotiating groups and problem-solving groups, and this change of focus onto the coordinative behaviours of negotiators has been supported by virtually all research observations since. That is not to say that negotiation is regarded as only problem solving; the element of potential conflict and mutually exclusive goals is of the essence, and is apparent in negotiation discourse, but careful observation shows successful negotiation to be more cooperative than originally envisaged.

This awareness has given rise to the **information perspective**, from which power is seen as a usable strategic resource, not an absolute. Concessions are not necessarily 'losing', giving in, weakness, but may be part of a more complicated tactical pattern of deliberate give and take, of temporarily surrendering power in order to learn more and thus



strengthen one's bargaining position. This information perspective was postulated initially by social scientists but is now accepted as theoretically valid by most research disciplines. As we will see in Section 1. 2. 3. below, prominent analysis systems used to code negotiation interaction blend the choice perspective (utterances putting speakers either one-up or one-down;) and the information perspective, where information is seen as "...a relationship among events..." (Fisher 1982: 205.) As background to discourse analysis's potential research contribution, a useful distinction is made by the mathematician Raiffa (1982: 20) who categorises various research motivations into either *prescriptive* or *descriptive* approaches.

#### 1. 2. 2. 4. Prescriptive approaches to research

Researchers with this approach try to discover which factors can be said to correlate with certain outcomes, then recommend tactics for improving the efficiency of practising negotiators. Foremost in this group of researchers are mathematicians, mathematical economists, and political economists, who see negotiation in terms of prediction models: if X happens, how likely is Y to occur? (For a review of the development of both Game Theory and bargaining theory, see Bacharach and Lawler 1981:6-40) One of their difficulties in predicting statistical probability is ensuring reliability. This they attempt by rigorous control over language: in a proposal-counterproposal game, for example, bids could be entered on a keyboard for transmission to an unseen opponent. Linguistically, the type of experimental communication described by Luce and Raiffa is seen by Levinson as falling within an abstract definition of interaction as

...the sustained production of chains of mutually-dependent acts, constructed by two or more agents each monitoring and building on the actions of the other...

Levinson 1983: 44

A mixed-motive game still much used in research is the "Prisoner's Dilemma", described by Luce and Raiffa (1957), in which two suspects held

separately must choose whether to confess or not, the advantages and risks of self-interest and cooperation being finely balanced. If no communication whatsoever between the participants is allowed one area of experimental unpredictability is eliminated; in modified versions of the game some highly controlled communication is permitted and its effects on choice are measured.

Although stylized games limit the strength of conclusions one can draw from them, Raiffa makes a good case for the usefulness of the resulting theoretical models:

...whereas the case studies deal with the particular, the mathematical analyses reveal the universal. It is conceptual formalization that enables one to take what has been learned from one field and use it to solve problems in another. (1982; 25)

For example, the statistical models have been used in preparation and analysis of such long-running and sensitive negotiations as SALT II and the Law of the Sea Conference (see Sebenius 1984.)

These controlled studies form a basis for more recent experiments, modified in the light of the more complex real-life constraints pointed out by social-science-inspired research. This move towards tactical and linguistic realism is reflected, for example, in the work of the Harvard Negotiation Project, the legatee of earlier mathematical and economic experiments. Raiffa's (1982) description of theories, and of the simulation activities which test their viability, has informed this thesis in many ways.

#### 1. 2. 2. 5. Descriptive approaches to research

This attention to real life introduces the parallel focus: descriptive research. In this line of enquiry psychologists and social psychologists (e.g. Pruitt, Druckman, Morley and Stephenson, Lewicki), communication theorists (e.g. Donohue, Putnam), and social anthropologists (e.g. Gulliver) are prominent. They observe the transactions in a given negotiation event and report them in ways that shed light on particular



features and facets of negotiation. Usually the events studied are, as above, very simplified laboratory games or simulations with carefully controlled variables, although currently much more emphasis has been placed on ethnographic studies, and non-interfering observation of real-life negotiating. As with the economists and games theorists, complex mathematical models can result from the data collected, but not so much in the hopes of improving negotiating skills as of devising models which make it possible to report even more accurately, and in greater detail, on naturally occurring behaviours.

To applied linguists, the descriptive research is particularly interesting for the attention (albeit as yet fairly informal) paid to the communicative aspects of negotiation and to the language used to further the negotiators' tactics and to structure their interaction (see for example Landsberger 1955; Walcott, Hopmann and King 1977.) All the same, until recently most descriptive theorists bemoaned the fact that little work had been done to coordinate the observation of tactics or information control and the observation of argumentation and language (Bacharach and Lawler 1981.) Now, however, their challenge has been taken up by research programmes at (e.g.) Eindhoven University of Technology and The Copenhagen Business School specifically focusing on the language of negotiation. In the remaining sections of this chapter we will mention in passing some comments about language made by theorists in non-linguistic fields, but in Chapters Two and Three the role of language in negotiation will be discussed more directly and systematically.

### 1. 2. 3. Coding systems used in negotiation research

#### 1. 2. 3. 1. Looking for cause and effect in previous research

Despite the changing theoretical model of negotiation, the archetypal choice perspective still influences many analytic instruments. This is the legacy of respected theories about motivation and verbal behaviour (see Rogers and Farace 1975: 224-6) which classified interpersonal

behaviour as having the effect of 'going towards' (cooperative; integrative; neutralising control), 'going against' (attacking; competitive; gaining control) and 'going away from' (conceding; giving in; yielding control.) Early coding systems, reflecting the high-competition assumptions of Games theorists, virtually ignored the 'going towards' category, and assumed that moves were always one up, or one down. More recent instruments have restored the 'going towards' categories, rightly seeing cooperative behaviours as more than merely non-productive standing still, and making it clearer that effects are engendered not by single behaviours but by more complicated patterns and sequences of behaviour (e. g. "...[conflict] occurs when at least three consecutive one-up manoeuvres are offered by the conversants." (Miller, Rogers and Bavelas 1984.)

Seeing the effect of moves as mono-directional is one potential shortcoming in investigating negotiation. Another is the assumption of narrow linear-causality. To a linguist it seems at least questionable whether any utterance in the multi-factorial speech event of negotiation moves the speaker in only one direction on all factors, and equally unlikely that one utterance reflects negotiating goals on one topic/issue in isolation. Yet despite changing attitudes toward research methodology in many academic disciplines (Brenner, Marsh and Brenner 1978) assumptions that an utterance or move has one sole impact and motive persists.

### 1. 2. 3. 2. Problematic research results

Many red-herring conclusions were originally drawn from analysing data collected in the laboratory settings considered to be the only suitably controllable environment for serious enquiry, i.e. for being able to eliminate what were perceived as distracting complexities and side issues. In more than one case a less rigorous design would have yielded more accurate conclusions as to the correlation between the behaviours being studied. Problems arose where the complicated effects of language were overlooked or screened out in the original hypothesis. One example

will illustrate the contribution which greater linguistic awareness could have made to research design. Raiffa (1981) describes a three-handed, thirty minute 'pure coalition game' designed to discover what moves resulted in the greatest total pay-offs. Ruthless bargaining, made easier by dealing with a remote faceless opponent, was expected to engender greater success.

This coalition game was played by subjects under two very different interactive conditions. In an earlier version, subjects negotiated face to face. In a later series of experiments... subjects communicated via computer terminals; they did not know the real identities of their adversaries, and their messages tended to be much more circumscribed than those of the earlier set of subjects.

(Raiffa 1981: 265-266)

The results for the two versions were markedly different, and ran counter to experimental hypotheses about the productive power of 'toughness' behaviours. Only three out of the sixty-seven computer triplets managed a three-way coalition, whereas ninety percent of the face-to-face negotiators achieved the maximum possible payoff in a three-way coalition. The results were not a statistical fluke, according to Raiffa, to whom they show that 'each of the parties seem to do far better (on the average) in the softer, more personal atmosphere of face-to-face negotiations.' This experience seems in turn to have two implications for linguistic negotiation research:

- (1) that early research perspectives which attempted to measure the value of power tactics and toughness in 'clean' experiments free of the intervening variables of face-to-face contact, in fact created a distorted picture of how the pragmatics of power is managed in negotiation.
- (2) that communicative interaction, and its linguistic (sociopragmatic and pragmalinguistic) realisation, are crucial factors in the process and success of negotiation, however difficult they may be to fit into experimental design.

This poses anew the reliability/validity conundrum, the choice too often lying between designing a research question to which the answer is either verifiable but irrelevant, or one whose answer is less testable but more suggestive of hard-to-discern realities.

### 1. 2. 3. 3. Coding communication: methodological considerations

All this must not be taken to imply that the role of communication in negotiation has been entirely overlooked. In their review of research Putnam and Jones (1982a) note that over the years many coding systems have been used to try to get better insights through communicative acts into how negotiation works, or how it works best, and such systems are part of the essential methodological background for discourse analysis in this context. Rogers and Farace (1975) identify six dimensions on which systems for general communication research can vary, the ultimate design being determined by the research objectives:

- 1 number of categories used
- 2 degree of inference by the observer
- 3 breadth of applicability
- 4 message exchange focus (i.e. content ? time dimension ?)
- 5 purpose (intention) or consequence (function) of the interaction
- 6 unit of analysis

Although some systems used in negotiation research code non-verbal features like gesture and glance, the majority code only verbal language, to which the coders attach interpretations of intention. That most systems have been abandoned after only one research project may be an indication of how difficult it is to design a system with a satisfactory level of explanatory power, i.e. producing reliable and valid findings commensurate with the research effort involved. Only a few systems -- among them those described below -- have been refined by repeated applications.

### 1. 2. 3. 4. Three prominent systems

#### *The Conference Process Analysis (CPA)*

This system was developed by the social psychologists Morley and Stephenson (1977) to get insights into the influence of interPERSONAL relations in negotiation, and they attempted to maintain the investigative rigour of Bales' Interaction Process Analysis --IPA-- (Bales 1950) while introducing categories of classification more suitable to negotiation. The choice of a small unit-size ('a simple thought', realisable in [their] linguistic terms sometimes as a sentence, a clause or even a phrase), and the rules developed to guide coders in dividing text into units, produced "a high degree of interobserver reliability" (Morley and Stephenson 1977: 190). The utterance "And I think he asked me to read it, after he discussed it a little" would be two units in the CPA (1977: 189). Each unit -- referred to as an 'Act' -- is categorised on the three dimensions of **Mode** (i.e. *offer / accept / reject / seek*), **Resource** (i.e. what is being offered, rejected, etc.) and **Referent** (which interactant is being referred to -- individuals, own party, other party, others etc.)

To a linguist, there seems to be a disproportion between the relative minuteness of the linguistic units being catalogued, and the relatively broad, general behaviour categories into which they are to be classified.

#### *Bargaining Process Analysis system (BPA)*

A second system, the Bargaining Process Analysis system (BPA), was a separate attempt to improve on Bales' IPA. It was first devised by the political scientists Walcott and Hopmann to identify strategic and tactical behaviour in the mixed-motive negotiation situation. Their stated objective was to throw light on "the process of bargaining and conflict in the context of small groups." (Walcott and Hopmann 1975: 2-3.) The BPA therefore has as its target not the influence of interpersonal relations but of interPARTY ones. The unit of analysis is a "simple sentence or a complete thought phrase". As a revised BPA III (Putnam and Jones 1982b: 180) it identifies 25-30 categories of message

clustered under 6 main divisions, that is

- A substantive behaviours "messages that facilitate the negotiation process "
- B strategic behaviours "messages designed to influence the expectation and actions of the opponent"
- C persuasive behaviours "messages that function as arguments and evidence in support of the claims a negotiator makes"
- D task behaviours "messages that promote a business-like discussion of issues"
- E affective behaviours "behaviour linked to the expression of feelings about the opponents and about the bargaining situation"
- F procedural behaviours "behaviours that move the discussion along by focusing on bargaining procedures or on methods for organising bargaining interaction"

(summarised from Putnam and Jones 1982b: 180)

The categories provided by the BPA seem to acknowledge a wider range of potential behaviours than the CPA, filling in some of the middle 'speech act' ground between clause-level exponent and pragmatic strategy left empty by the CPA. In this they offer perhaps a more coherent picture of the cooperative (or otherwise) patterns of behaviour that develop during the interaction. But as we have said above, many units have more than one pragmatic goal. Multiple entry (allowed in the BPA but not in the CPA) makes this codable, but a system where categories are not mutually exclusive makes statistical analysis more difficult.

#### *Cue and Response 1984*

Awareness of the importance of turn-taking and other interactive mechanisms, and the problem of deciding where in a long utterance the 'real' message lies are the investigative issues confronted by the third system. Donohue, Diez and Hamilton (1984), interested primarily in communication research, felt that neither the CPA nor the BPA were able to trace communicative coherence, and hence pragmatic macrostrategies. To remedy this they revised an earlier system (Donohue 1981b) which had, building on the work of Rogers and Farace (1975), coded each unit both as a response to what came before, and as a stimulus or cue to the subsequent utterance. Their system categorizes 10 **responding behaviours** and ten **cueing behaviours**, sorted variously into three (choice-



perspective influenced) **strategy variables** of *attacking / defending* (i.e. *no movement*) / *integrating or cooperating*. (Donohue et al 1984: 410-11)

One fundamental problem with this system is the unit of measurement, "an utterance ... defined as an uninterrupted talking turn" (1984: 413) In practice long turns, which appear quite frequently in some negotiating particularly in the early stages, are difficult to code as a whole. This is acknowledged by Donohue et al, who ruled that in fact longer utterances could be "...divided into separate units, with a unit being defined by a change in function." (: 413)

Many coding systems -- not least those three representative ones we have looked above -- seem still to reflect more of the Choice perspective of negotiation than the Information Perspective, in that while they each on some dimension plot Attack, Defence and Surrender fairly efficiently, they are less able to deal with the complex information contained in the fact that an apparently "attacking " utterance may (by accident or design) show language features which disclose the speaker's lack of real commitment to that attack. Alternatively, an apparently integrative, other-supportive utterance may, if sensitive new content is signalled in it, actually be heard by the hearer as an attack. By focusing on speaker intention regarding power or influence, they target for analysis the least observable of the negotiation goals, the hidden attitudes of the interlocutors. This and the other constraints mentioned above curtail the efficiency of such coding systems. The challenge for discourse analysis is to devise better ways of describing the interaction, by examining what language features in messages cause a hearer's particular interpretation and thus bring about the effect. In this coding systems can be efficient tools but perhaps we should accept that no single system will suffice. Those best suited to sketch out the major moves (which may correspond to major themes for research) can by their lack of delicacy stifle awareness of significant phenomena. They need to be more flexible, and compatible with other systems at levels of greater delicacy.

Flawed or not, coding has nonetheless proved a revealing research methodology. Reducing long utterances to shorthand coding notations has made it possible to build up a picture of negotiating macro-strategies, by plotting the sequence and lag (i.e. the number of turns between behaviour X and behaviour Y). The generalisability of such patterns has been supported by lag-sequential statistical analysis. The theoretical insights discussed in the rest of this chapter have come not only from counting the frequency of certain categories of behaviour, but equally from enabling two or more interactions to be compared in some organised way, making visible the patterned nature of negotiating behaviour.

### 1. 3. TYPES OF NEGOTIATION

From their beginnings, both prescriptive and descriptive research have discerned fundamental differences between negotiation modes, differences which reflect the fact that

... negotiation takes place at two levels. At one level, negotiation addresses the substance; at another it focuses --usually implicitly--on the procedures for dealing with the substance,

(Fisher and Ury 1981: 10)

The *substance* in this case is the facts relating to what is being negotiated, how much of what: in language terms, the cognitive content, the topics the discourse 'is about'. The *procedures* are the pragmatics of the interaction. One of the conceptual breakthroughs of bargaining research was the suggestion of Walton and McKersie (1965) that there are four demonstrably different procedural modes of negotiation, viz distributive bargaining, integrative bargaining, attitudinal structuring, and intraorganizational bargaining. The different objectives and constraints of these modes of negotiation bear on linguistic research design, in that each might be expected to produce different discourse strategies. Of the four modes, theorists and researchers in the field have to date found the *distributive /integrative* distinction particularly



illuminating. Certain features have been observed to be associated with one or other bargaining mode.

### 1. 3. 1.      **Distributive bargaining**

Analogous to cutting a cake. In this mode the object is to divide up a fixed asset; one party's gain entails the other party's loss, thus it is sometimes called *win-lose*, *fixed-sum*, *zero-sum*, *single continuous issue* (Raiffa), or *hard positional* (Fisher) negotiation. This was the original schema of negotiation on which the early choice-perspective research was based. Putnam (1985: 226-227) describes distributive bargaining as particularly associated with "perceived or inherent conflict." Progress is via "attack-defend cycles of demands and commitments", incorporating "arguments through repetition, threats, rejections, denials, and other forms of offensive or defensive communication." The object is 'to manipulate [one's] opponent through the use of aggressive tactics and minimal disclosures.' It follows that distributive bargaining entails a highly competitive, win-lose strategy, in which good interpersonal relations have been seen as less productive than the ability to maximise one's (apparent) power. This is hard bargaining where aggressiveness rather than co-operation is admired, and deceit is a tolerated tactic. It is not the sort of negotiation upon which long and trusting partnerships are founded, but is thought sometimes suitable in a one-off operation, where the parties do not expect to have to deal with one another again.

### 1. 3. 2.      **Integrative bargaining**

Analogous to pooling ingredients and creating a bigger cake, or two cakes, or a dozen, to share. Here it is possible to mould the situation to allow both parties to benefit, albeit often in unequal degrees, or in individual --even unexpected--ways. Sometimes this is called *win-win* or *variable-sum* negotiation, *soft positional bargaining*, or the *problem solving approach*. In contrast to distributive bargaining, this negotiation mode places more emphasis on co-operation than on confrontation. Fisher and Ury suggest (1981: 39) that the difference in

attitude and goals can be made symbolically manifest by negotiators physically moving from an across-the-table seating arrangement, representing opposition, to a side-by-side seating arrangement, facing the common problem as represented by shared documents, flipcharts, etc. Putnam (1985: 227) states that "Integrative strategies entail openness in information exchange, joint problem exploration, acceptances, concessions, and other-supporting statements." Obviously in this type of negotiation active deceit (as opposed to reticence, called *strategic misrepresentation* (Raiffa), or *bluffing* (Bacharach and Lawler), would be out of place. In fact, Raiffa (1982: 144-5) maintains that judicious candour can clarify the situation for both parties, increasing the pay-off for each accordingly. Creating and maintaining an appropriate relationship between negotiators facilitates openness. In the next chapter we will be looking at some language performance skills which are thought by experienced negotiators to contribute to this.

The concept of distributive bargaining (at least in its hardest form) may be more a left-over construct of the original Game Theory view of negotiation than a real-life phenomenon. Even when a one-off negotiating situation arises (say, dealing with airplane hijackers) it is unlikely to have one isolated goal --one fixed sum. Most negotiating situations are multi-issue ones, where objectives interact with one another. Winning one objective outright can be less advantageous than winning some objectives to a partial extent, or creatively trading off less urgent ones against those with higher priority. Complicated sets of desires are hard to satisfy with discourse designed to threaten, deceive or obfuscate.

In addition, there must be few situations in which bargainers can be certain that on a future occasion their hardness, even duplicity, won't be remembered to their detriment. Used cars are sold on street-corners, and houses sold to strangers, but even here most bargainers are influenced by various restraining forces: perhaps wanting to avoid being sued, or wanting to be thought fair-minded. Forces of logic (why cut

off your nose to spite your face ?) and social mores can be recruited by weaker parties. This concept of a normative control is systematised in Fisher and Ury's *principled negotiation* style, in which particular discourse strategies are designed to turn distributive bargaining into integrative bargaining mode by expanding the options, and then controlling the emotion of the interaction with overt mentions of normative, objective standards as criteria for judging proposals. (Fisher and Ury 1981: 84-98)

It would be a mistake, however, to overemphasize a problem-solving image of negotiation. One can only understand the nature of the speech event, the goals of the participants, and the emotional imperatives of the interaction if one remembers that the underlying context is conflict, and the purpose is conflict resolution. However the intensity of conflict varies, and different domains are thought by the researchers to dictate different styles of expressing conflict. Labour/management negotiations, for example, are thought to favour more aggressive discourse than commercial or international diplomatic talks.

### 1. 3. 3. **Mixed bargaining**

Most writers agree that regardless of domain, in practice both distributive and integrative bargaining modes are likely to be present in most negotiation events, and Putnam, a social psychologist particularly interested in communication, uses the term **mixed bargaining** to indicate this. She describes as typical a sequence which "...begins with fixed-sum items and then switches to integrative problems; thus integrative negotiation emerges after a period of distributive bargaining." (1985: 227.) Raiffa (1982) suggests, on the other hand, "that there may be situations in which integrative bargaining may serve first to clarify and reduce the number of issues, and then to build and agree tradeoffs where possible. The remaining discrete bargaining points can then be 'polished off' in a more distributive bargaining mode.

The discussion so far has been designed to demonstrate that despite coming at the subject from a variety of directions, researchers from many fields concur about many of the defining characteristics of negotiation, and about there being different modes (distributive, integrative, etc.) of interaction. In addition, most agree that in pursuit of negotiation goals there are the three main sources of momentum mentioned in Section 1.2.1.3. above: a sequence of stages (procedures); informational content (substance) and interaction (power). These three notions will be used to organise the next part of this discussion.

#### 1. 4. SEQUENCE OF NEGOTIATION

Discourse analysis' potential as a contributor to negotiation research is underlined by the attempts to define the sequence of the interaction, one of the major subjects of inquiry. So far the principal evidence for regular and definable **stages** is, as we will see, linguistic evidence, not (for example) the computing of facts about the size, sequence or juxtaposition of concession-making. Different interpretations of this evidence have led to various suggestions as to the number and exact nature of the stages, but most if not all writers agree that whatever the steps, their sequence is predictable. That is to say, although certain stages may overlap, be skipped, or be truncated in particular instances, and although negotiators may loop back to a previous stage, one would not expect to find a typical third stage followed by the first appearance of a typical second stage. Three models will serve to illustrate thinking on these points.

##### 1. 4. 1. Douglas

The first to identify a regular sequence in real-life negotiation was Ann Douglas (1957) who, after careful observation of high-conflict union-management collective bargaining, postulated a three phase process.

In her experience, there was a predictable order of stages, with linguistic and other behaviours appropriate to each, as follows:

Phase 1 (lengthy): "Establishing the **bargaining 'range'**" (: 72-5.) This gives broad outlines of what both parties want and where there is potential overlap: it is characterised by an emphasis on substantive disagreement points, in which long utterances illustrate one's identification with the case one is presenting. At the same time, care is taken not to over-antagonise the opponents into more trenchant opposition, and 'image manipulating' discourse strategies may be used to show that one sees the concepts of 'parties' and 'individuals' as separate. Douglas felt a sense of ritual and role-playing was evident in the language chosen at this stage.

Phase 2 (even longer): "Reconnoitring the 'range'" (: 75-80.) According to Douglas, this is signalled by the backing down from the Stage 1 positions and the granting of the first **concessions**. It proceeds in a pattern of hard searching for areas of agreement (**contract zones**), coupled with a public verbal display of disagreement. Discourse is characterised by shorter turns, firm assertions which are later abandoned, more interactive utterances, question and answer exchanges, and clarification checks. Each side protects their own information by reticence or manipulation of the truth while getting as much information about the other party as possible; it is necessary to maintain the right relationship balance to do these things efficiently, either by displays of power, or alternatively by using more *us* (our party), and fewer *me* -vs- *you* (individual negotiators), self-references.

Phase 3 (shorter): "Precipitating the decision-making crisis", (: 80-81.) In this stage the possible options and outcomes are made clearer by interaction in the form of short question/answer exchanges, possibly backed up by more consultation with interested

principals, or recourse to objective intervention (mediation.)  
Finally agreement is reached, or negotiations are broken off.

One must bear in mind that Douglas was observing troubled collective bargaining events, by many accounts more ritualised than, say, commercial negotiation. But even this brief description of her theory shows the importance she placed on language patterns in identifying different stages and transition points. Her early work on naturally occurring data prompted a new generation of studies (for details see Putnam 1985.)

#### 1. 4. 2. Gulliver

At the other end of the scale in terms of numbers of stages is the model put forward by the social anthropologist Gulliver (1979) in which, building on the work of Douglas, he outlines eight phases. He argues that certain stages (notably prebargaining, : 73) have been under-observed, and deserve to be more closely examined to establish the weight of their contribution to satisfactory negotiation outcomes. He appears to be presenting a theory applicable to any negotiation, regardless of cultural setting, illustrating his model with examples from African negotiation (usually mediated). In outlining his stages, he gives full descriptions of specific behaviour and verbal features that associate with them, and indicates the relative predominance of antagonism and coordination in each stage. His model appears overleaf.

Gulliver acknowledges his debt to Douglas, and it can be seen that in the middle there is a match between their two models:

		Gulliver	1 search for arena
		Gulliver	2 define agenda
Douglas	1 Establishing the range	Gulliver	3 explore field/differences
Douglas	2 Reconnoitring the range	Gulliver	4 narrow differences
Douglas	3 decision crisis,	Gulliver	5 prelims to final barg'ing
	" " "	Gulliver	6 final bargaining
		Gulliver	7 ritualization of outcome
		Gulliver	8 execution of outcome

## DISPUTES AND NEGOTIATIONS

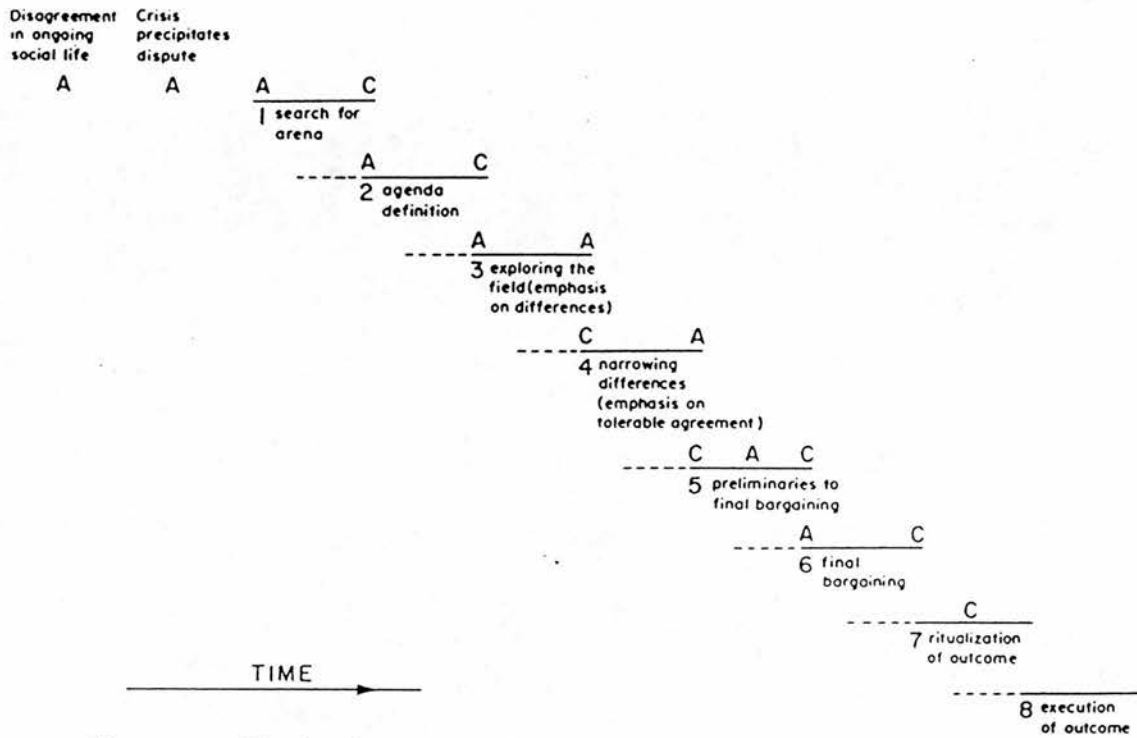


Figure The developmental model of negotiation: A, predominance of antagonism; C, predominance of coordination.

(reproduced from Gulliver 1979: 122):

Gulliver extends his sequence of negotiation to incorporate both the prebargaining planning (stressed as well by Fisher and Ury 1981 and LePoole 1987) and the post-bargaining symbolic notification of agreement (perhaps by a social act, by formally signing a contract, or informally reiterating in a letter the points agreed verbally), plus the execution of the agreement.

#### 1. 4. 3. Druckman

The third model at first appears rather different from those just described. While Douglas and Gulliver attempt to outline a typical individual negotiation event, the social psychologist Druckman (1986)



looks at the wider situational context of international negotiation, the "...process of political, economic, and legal decisions" which "serves the preformulated interests of governments, as reflected in manifest foreign policy..." His ideas are based on the reports of informants who participate in major international conferences such as the Strategic Arms Limitation Talks, the Conference of the Committee of Disarmament, and the Law of the Sea Conference, whose opinions appear to back up the theoretical and case-study analyses in the literature. He suggests

an explanation for the unfolding events in negotiation,... a framework that ...enables one to order and organise the flow of activities, and makes evident a characteristic rhythm that may prevail in "all" negotiations, (1986: 328)

He identifies the following four stages for building a settlement package (1986: 329):

- defining the scope of, or agenda for, the negotiation
- a search for formulas or principles
- flushing out the issues
- a search for the implementing details.

In other words, it is a matter of applying increasing scales of magnification to find the tradeables and negotiables which would otherwise remain lost in an infinite number of conflicting wants and desires. Although in a big international negotiation each of these stages -- selecting, sorting, examining, and matching -- may take over a year, and involve countless individual negotiation events, nonetheless there are strong parallels with the stages of individual interactions as outlined by Douglas and by Gulliver. For example:

Gulliver		Druckman	
Stage 2	agenda definition	Stage 1	define agenda (selecting)
Stage 3	exploring the field	Stage 2	search for principles (sorting)
Stage 4	narrowing differences	Stage 3	flush out issues (examining)
Stage 5/6	bargaining	Stage 4	find implementing details (matching)

The 'search for principles' at first seems unlike anything in Douglas or Gulliver's sequence models. But Druckman's examples make it evident that establishing principles is perforce part of the early stages of interaction, when parties use their exploration of issues to gauge their ability to trust the other side, measuring the compatibility between their respective normative standards, and the principled criteria against which they judge the sincerity or value of certain proposals. Sometimes this may be virtually taken for granted, especially in cases of a longstanding relationship between supplier and client where groundwork has been laid in previous negotiations. In other cases building up new concepts and schemata is a lengthy stage which must be completed before real bargainable issues can even be recognised. Druckman reminds us that in the SALT process,

The central problem has been one of shifting the parties' conception of nuclear parity from one permitting deterrence to one foreclosing coercion. Once the principle is agreed on, the details of disarmament can be hung on, such as a search of numbers of launchers versus missiles or quantity of warheads... (1986: 330)

In Druckman's negotiation model, periods of progress alternate with periods of stasis. The forward progress depends on **turning points**, either **breakthroughs**, which occur after a period of no progress (**impasse**) and usually lead immediately on to another stage, or **crises**, threats to the continuance of the negotiation, which if overcome usually need a following period of stability before progress to a new stage is possible.

The speed with which a negotiation progresses toward an agreed package depends largely on the incidence of turning points relative to crises, ... A smooth negotiation process is one that moves through the stages with few impasses and no crises, (Druckman 1986: 331 and 334)

#### 1. 4. 4. How Sequence furthers negotiation

##### 1. 4. 4. 1. Recognising stages: the importance of language

In examining these three models, certain questions come to mind. First, how do participants -- or for that matter the researchers who observe them -- know when a new stage has been reached? How are stages recognisable? All three writers quoted suggest that as well as other psychological factors, which we will consider in a moment, recognition depends on the fact that the different stages are reflected in language. They point out verbal behaviours that apparently enable the analyst to identify the activities, turning points, and stages of the interaction. We looked earlier at examples cited from Douglas' work, and when Druckman lists the activities of negotiators (1986: 335, Table 1) he refers to discourse phenomena such as *seeking feedback; persuasive debate; channels of communication*.

##### 1. 4. 4. 2. How stages work: coordination of movement

Another question is, how does sequence work? How is a new stage reached? To answer this, we have to turn our attention away from sequence in isolation, and remember that it is in reality inseparable from and co-active with the other two sources of momentum: information management and interpersonal relations. To move on a stage, one party must get sufficient information to enable them to change their stance: enough to develop new principles to guide their judgement, or enough either to shift priorities among issues, or to change expectations about tradeoffs. Whatever change the information promotes, it enables them to feel ready to go forward, to leave a state of stability (perhaps impasse) and commit themselves to the next more dynamic episode.

At the same time, their information processing will also include listening for signals which show that the other side too have moved on, or are ready to do so. Perhaps interpretation of these signals has something to do with the alternating antagonism and coordination within and across stages which Gulliver incorporates in his sequence model

(1979: 122) and which Druckman (1986: 332) supports. Indecisiveness resulting from a perceived lack of information may leave a party suspended, needing to replace old preferences with new ones, but unsure which way to go. Certainly much research and speculation have been devoted to determining whether one can confidently predict that a concession will be followed by an answering concession, or a demonstration of power by a counterbalancing one. We saw in Section 1.2.3. above that many of the analysis systems applied to the formal analysis of negotiating language by researchers have been designed to look for evidence on just this point.

#### 1.4.4.3. Popular notions of stages

The pattern of stages that researchers perceive in negotiation is a major organising feature in many of the popular do-it-yourself training books written by consultant negotiators (e.g. Kennedy, Le Poole, Rose, Fisher and Ury) looked at in more detail in the next chapter. Their comments about what bargainers are trying to do in each stage are helpful guides in predicting what sorts of language one might expect to find as a clue to what stage the interaction has reached. Like academic researchers, practitioners have various opinions as to how many stages are recognisable, and various labels for identifying them. One well-known schema is Kennedy, Benson and Macmillan's (1987) 'Eight Step Approach' i.e.

Prepare  
Debate (or Argue)  
Signal  
Propose  
Package  
Bargain  
Close  
Agree

This was later adapted for a training film into a 'Four-Phase Approach', prepare, discuss, propose and bargain.

#### 1.4.4.4. Why stages help: the notion of trust

The movements of the parties must be skilfully coordinated for smooth

progress; bargainers are said to feel ready to move on only when they are satisfied that the work of the present stage has been successfully and thoroughly completed. But coordination of movement only partly explains the predictability of the bargaining sequence. Two other products of staged information management have to be taken into consideration.

First, Gulliver suggests that stages enable negotiators to break the catalogue of facts of a negotiation into manageable pieces for cognitive processing. Easing the processing load makes negotiators more confident about measuring and making concessions. In addition, he postulates that

The parties need to experience the process and gain the experience of each other and of themselves so that they come to accept a particular outcome as satisfactory. (Gulliver 1979: 177)

In other words, sequence and information contribute to the third source of momentum, interpersonal relations, by promoting attitude structuring. They allow negotiators to change their image of self (their degree of relative power, their stance on normative principles) and their image of the other party.

This is often referred to as building up trust, but that term can be misleading. Often what builds up is the opposite, a conviction that the other party cannot be trusted in the lay sense of the word. Thus the actual objective is to reach a point where negotiators are able to trust their own interpretations of the other party's behaviour, and therefore trust their judgements about the other party, positive or negative. After this, bargainers can in the words of Fisher and Ury (1981: 13) "...proceed independent of trust..." Colin Rose, the Australian consultant negotiator, suggests the term 'predictability' (used hereafter) in place of the term 'trust' (personal communication.) Finally, Pruitt (1981) argues that there are two prime sources of predictability. The first is linguistic, overt revelations starting with small disclosures on low risk topics, and moving towards ones with greater importance and therefore more risk. The second is judging the size of concessions, which is most

risky during early trading, before predictability is well established. As a clearer picture emerges negotiators can weigh more accurately the value of the other side's concessions, and can gauge their own offerings accordingly. The first, small concessions serve as early tests and signals, then more substantial concessions are suggested as the issues become clearer. Finally the increments begin to contract again, as a signal that the sticking point, and therefore potential agreement, is near. These two sources of predictability indicate the close connection between the concept of staged progress, and the Information Management process to which we now turn.

### **1. 5. COGNITION IN NEGOTIATION: INFORMATION AND LEARNING**

Gulliver's attempt to demonstrate how negotiating stages coordinate with information-manipulation contributes to the understanding of the negotiation process as a whole. He envisages a dynamic in which "there are two distinct though interconnected processes going on simultaneously: a repetitive, cyclical one, and a developmental one." (1979: 82) In the preceding section, we presented Gulliver's model for the developmental (phased) process. We can now consider in more detail how that interacts with the simultaneous cyclical one which involves the exchange of information, its assessment, and resultant adjustments and restructuring of expectations, preferences and judgements. We are invited to imagine a structure rather like a corkscrew, where the circular movement of information-processing enables the gradual forward movement of the sequence. In this processual model, the cognitive work of negotiation could be viewed as a learning process, the 'process of discovery' in Gulliver's earlier quoted definition, in which because one's own possibilities depend on the other party's position, one finds out as much about oneself as about them.

#### **1. 5. 1. Negotiation goals and information**

Let us look more closely at what sorts of information negotiators handle and where the input comes from. In the Introduction I argued for the



usefulness of goals in analysing discourse, as giving the analyst some concrete transactional evidence of the underlying pragmatics of the interaction. Every party starts bargaining with some idea of its own focal point of potential agreement on each of the issues at stake, and these issues are reflected in the topics of negotiation discourse. But the feature of the negotiation speech event which has the greatest impact on language use is the fact that this 'focal point' is not, even in the simplest fixed-sum negotiation, one figure only. Each party has a maximum desire, a highest hope, presented to the opposite party as an opening bid, and therefore the clearest focal point to oneself at the beginning of the negotiation process. Underlying that, there is a secret series of adjusted targets -- still constituting satisfactory outcomes, but not the dream target. Verbal signals of willingness to move from an enunciated point to an altered one serve as concession tokens in the ensuing bargaining process. At the opposite extreme from the opening target there is another focal point, a reservation value, the most unsatisfactory outcome that would still be preferable to the *status quo ante*.

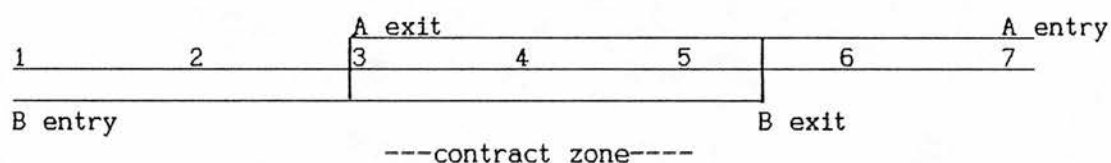
In the negotiating literature these two extremes are frequently referred to as the *maxima* and the *minima*, or less academically as the top and bottom offers or prices. These sets of terms contribute to writers' difficulties in making the nature of the information clear. A reader automatically encapsulates in the term *maxima* concepts like 'largest' 'highest' 'top' 'greatest', and the converse with *minima*. Yet if, for example, one is the would-be buyer of an antique chair, one's *maxima* would be the lowest figure one felt one could decently offer to open the bargaining. And in that case, the *minima* would be the top price one could afford to pay, before one had to bow out of the negotiation. Not only that, but many of the factors in a multi-factorial negotiation are not countable or measurable as maximum-minimum amounts: principles, desired behaviours, time considerations, etc. For this reason, this discussion will replace *maxima* with the term **entry point**, that is, the



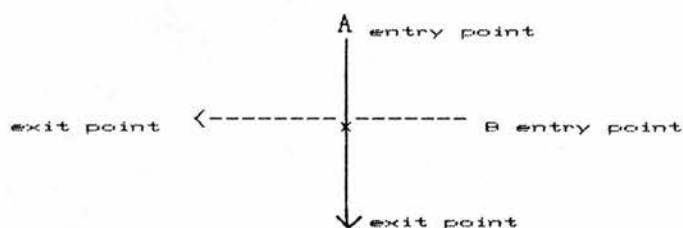
first point of statement in a negotiation, and *minima* with **exit point**, the point after which an issue becomes non-negotiable.

Within the range of potential settlement, then, neither the middle targets nor the exit point can be as clear to negotiators at the beginning of the process as can their entry point. Realistic possibilities can only be discovered by listening carefully to the other party's turns to find out what their focal points are. It is in that sense that negotiation discourse helps one learn about one's own position as well as that of the opposition.

The object of negotiation is to feel out the contract zone, that area between one party's entry point and the other's exit point within which compromise can be agreed, as in this diagram:

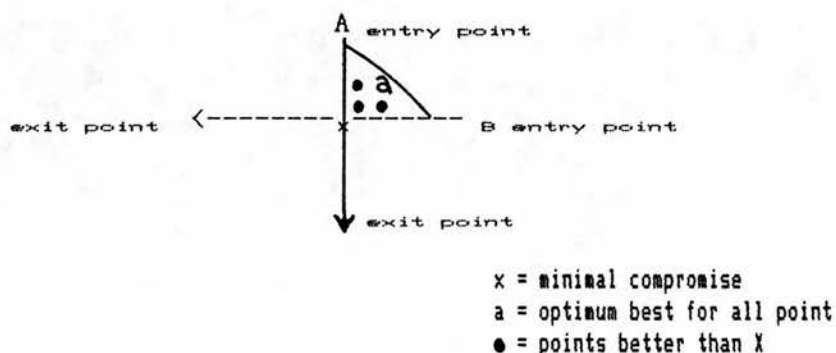


In a fixed sum single factor negotiation the best-for-both deal will locate on one intersecting mid point, as *x* here:



But in a variable sum, multi-factor negotiation information is more complicated, falling as Kennedy et al (1987: 43) maintain into "...two categories: information about what you want and don't want, and information about how badly you want it." The fact that certain factors have high priority for a particular side means that there is room to improve even on the mid-point, because in the 'northeast' quarter

differently valued factors may be traded off against one another to structure better packages for each party than a fifty-fifty split on each issue would give:



If delivery dates are the buyer's top priority, and cash flow is the seller's, the former may be willing to pay more for a faster delivery, and the latter may be willing to work sixteen hours a day to guarantee it. Such a deal, although it involves each party conceding something near the other's entry point on one factor, nevertheless suits both better than a down-the-middle deal would do. Fisher and Ury (1981: 42) differentiate between information about "interests" and "positions"; one's interests may include many items about which there is no conflict, and which can be revealed with little risk, whereas one's positions will be much more sensitive. An example of *interests* might be the fact that price, rather than delivery date, matters most to a party. Their exit point on price is a *position*.

#### 1. 5. 2. Information and remodelling goals: encoding in discourse

The alteration of many of one's own targets depends on establishing the other side's attitude on a multiplicity of issues. We saw that Douglas identified certain discourse signals in the opening stages of negotiation, when fairly long utterances, often in emotional or aggressive language, identify topics, announce entry points and reinforce demands. Using this entry point information as a base line, negotiators can recognise later concessions, and by recognising what goal they relate to, when they occur, how sizable they are, and whether or not

they are tied to other issues, the negotiators get a clearer picture of the location of exit points, priorities, potential trade offs and so forth. Even silence on a certain point betrays an inhibition that may represent a clue. The difficulty is to strike a balance, appropriate to the circumstances and personalities of the current negotiation, between self preservation and promoting an agreement. The former may require concealing one's own information, thereby preserving bargaining force, while the latter needs sufficient candour and accommodation on one's own part to win confidences from the other party.

This information gathering aspect of concession-making has been the subject of speculation for some time, and the bargaining theorists Bacharach and Lawler (1981: 80-84) present a review of the writers who have taken a particular interest in the *information perspective*, which "reconceptualizes concession behaviour as the manipulation of information or management of impressions." Informational clues as to parties' preferences may be expected at all levels of discourse organisation. In fact, the impact of language on negotiation outcomes is perhaps most obvious in terms of its role in the manipulation of information, as we will discuss in the next chapter. However, its impact may be most profound in terms of the third of the three negotiation drivers, the relationship that emerges between the negotiators themselves.

## 1. 6. NEGOTIATION AS INTERPERSONAL BEHAVIOUR

To any bid in the negotiation, the responding party can either move laterally to seek clarification, or take one of three possible choices: to accept the offer on the table, to make a counter proposal closer to one's own preferences, or to revert to the status quo ante and withdraw either empty-handed or with what was on the table prior to the most recent proposal. How briskly negotiators can move from choice to choice (stage to stage) depends not only on the substantive content of each proposal (information), but also in large measure (1) on how they are

able to tailor their images of themselves, and (2) on how they see their opposite number.

#### 1. 6. 1. Dual roles

In this last regard one must bear in mind Douglas's point (1957) that negotiators hold dual roles in the speech event: they are present as 'parties', that is, the voice of the institution they represent (their country, union, company, status as wife, etc. ) and also as individual persons who can work together to solve their mutual problems. In this regard it is worth remembering one of the reasons Brown and Levinson suggest for the prevalence of indirectness in speech:

... the problem for any social group is to control its internal aggression while retaining the potential for aggression both in internal social control and, especially, in external competitive relations with other groups,"  
(Brown and Levinson 1987: 7)

In the early stages of interaction the external institutional-group role may, depending on the domain, be more in the ascendant than the internal (i.e. table-group) personal one, but it is probably true that both voices are to be heard to some extent in any communication, and both personae are there to be interacted with throughout the speech event. This fact goes some way towards explaining why the bargaining convention of pitching entry-point demands well beyond one's real hopes is universally considered so efficacious. To laymen this seems at best like a pointless ritual, and at worst like deceit. The implications in terms of Grice's baseline Cooperative Principle will be explored in Chapter Three. But in fact the 'party' role can be used to make extravagant demands which create space for subsequent concession-making; within that cooperative space bargainers in their personal capacities establish trust/predictability, which in turn serves to justify institutional decision and agreement. Douglas likens the institutional role to a fortress beyond whose walls negotiators can make testing sorties but into which they can -- as individuals -- retire when the others' tests become too threatening. Yet the fortress needs the individuals within it:

When a bargainer knows that "this is all" means that, it is not that the opponent has told him so but that he has personally *experienced the futility* of seeking more.

(Douglas 1957; 79; author's emphasis)

#### 1. 6. 2. Personal relations and power

Several factors are acknowledged to affect the footing on which negotiators stand in relation to one another, and thus the appropriate degree of cooperation to choose for the particular event. The following list is loosely based on Morley and Stephenson (1977: 27)

- the nature of the decision makers/negotiators involved --their relative status, experience, etc. and how independent or well briefed they are.
- the nature of the decision to be reached; how important or how final it is.
- the relationship between the negotiators or between the parties they represent: whether they have a common history of negotiation, or are likely to have a future connection.
- the nature of the context in which the interaction occurs: public or private, formal or informal, short time or long time, etc.

In the terms established earlier in Section 1. 2. 2. 2. these are the factors that govern the 'real power' which negotiators begin a negotiation with. Although the field is divided up rather differently, these factors cover much the same range of variables as Hymes' speech act components (Hymes 1972 & 1986): viz. settings, participants, ends, act sequences, keys, channels, norms of interaction, and genres.

However in both cases the factors are only a resource; just as Hymes' components are the environment within which an action is performed through speech, so real power is the environment within which table power is constructed through speech. Attempts to define power-enhancing behaviour in negotiation is in part a matter of defining what constitutes power-enhancing language use. Interpersonal relations are pivotal here.

In establishing a relationship negotiators will make use of surface behaviours which express more fundamental bases for interpersonal motivation. Capella and Street (1985) report that social psychologists almost unanimously support the position which ascribes two major and one subsidiary dimension as bases for interpersonal motivation: a) control, or the management of dominance/submission; b) the management of affiliation/ associativity, and c) the need to further the task in hand, control information, and establish regulations. As we have already seen, much negotiation theory is based on hypotheses about the relative power of the negotiating parties, and how this can be communicated for a party's maximum gain (Bacharach and Lawler 1981.) But Gulliver sounds a word of caution:

Common sense continues to suggest quite strongly that something we might designate as "power" is in practice operative; nevertheless it is extraordinarily difficult to pin down, (1979: 190)

The problem is in part a circularity of argument (powerful negotiators are the ones who win, who win because they are powerful) and in part an over-broadness of definition. Gulliver suggests that perhaps what we call in negotiation 'power' is in part the potential (whatever its source) to affect the other party's behaviour towards one's own preferred outcome. There are really no invariable foundations to this potential, but instead it results from an individual's perceptions of the variables mentioned above, and possible outside influences like morality or history.

Nor is it always productive to exert one's power to the maximum; as Gulliver points out earlier in his argument (1979: 13), negotiators may be flexible even in negotiations where the interests are drastically opposed, 'precisely because each party is dependent on the other in obtaining an outcome.' Perhaps this partly explains why, as reported by Morley and Stephenson (1977), 'toughness' studies do not find threat to be a very effective strategy. Comparative muscle may be irrelevant; the potential may reside in desperation (nothing to lose) or in holding the high moral ground (victim of injustice.) That being the case, it is



perhaps more accurate to use the neutral term **influence** rather than 'power'.

Negotiators start off their speech event with certain degrees of influence, based on the variables listed above. What behaviour can then enhance that influence? Donohue (1981b) mentions one compliance-gaining strategy: the manipulation of rewards and punishments, and Nierenberg (1968) suggested a so called needs-theory of negotiation where negotiation styles and techniques specifically address human needs as set out hierarchically by Maslow (1954). The more fundamental the need (for safety, let us say, as opposed to that for aesthetic satisfaction) the more punishing its denial or the more satisfying its fulfilment. Nierenberg postulates that a concession which satisfies a less basic need is likely to be only modestly tempting until primary insecurities are attended to.

Compliance can be forced, then, by addressing or denying people's needs, and if Nierenberg is right, even the order in which negotiation issues are nominated as topics can be an element in influential behaviour. By contrast, compliance-resisting tactics include self-justification, emotional or normative appeals, skill in building and handling large, complicated and conditional multi-factorial settlement packages, and (most drastically) refusal to participate in the negotiative process. All of these tactics are much enhanced by the ability to manage 'face', and to keep a balance between 'positive face', "...the desire (in some respects) to be approved of..." and 'negative face', "... the desire to be unimpeded in one's actions...", to stay aloof, not to accept a gift or honour that places one under an obligation to reciprocate (Brown and Levinson 1987: 13).

In talking about information management (Section 1. 5. 2.) and stages we mentioned that negotiators learn some things from non-linguistic sources like concession size and timing, but more things from linguistic clues. These include the substantive content of preference-statements, and



whether the manner of making an utterance is consistent with its substance and apparent force. In an utterance like

... we find it pretty tough with -eh- paying twenty thousand and we have a feeling -eh- that -eh- you should - that you have a little of responsibility for this accident, actually

the force of 'demand' or 'blame' is diluted by the many signs of hedging, hesitance, and indirectness. Language gives clues as to the preference of negotiators, and can reveal or conceal information. It can at the same time be the means of manipulating parties' attitudes towards one another, increasing or diminishing the intimacy between the negotiators. In this respect it has been noted that in certain negotiations, where the bargainers are responsible to very demanding constituents, there is held to be tension between growing productive personal intimacy between negotiators, and the need to express publicly a sense of opposition which will be seen (by the constituents or by the public at large) to express the 'party' position. This is mentioned most often in connection with union-management negotiations, where the disparity between public statements about concessions, and the actual details of concessions, often testify to a split negotiating personality. We will return in Chapter Three to a discussion of the language demanded to serve such ambivalent needs.

## 1. 7. SUMMARY

Negotiation is a complicated human activity, which is reflected in the number of different disciplines -- mathematics, economics, social psychology, anthropology, and lately applied linguistics -- which have regarded it as within their field of research. It is an activity which involves both conflict and mutual dependence. And with the passing of the early emphasis on choice perspective and pure Game-theory research, there has been a growing focus on real-life behaviour. The computation of outcomes and offers on the table at a given moment may tell something about the interaction, but most of the evidence for particular goals, tactics, states of mind and attitudes is provided by language.

Research data may be of controlled laboratory face-to-face games, of simulations, or of real life negotiation, usually through the medium of tapes or transcripts. How well the three interdependent process drivers -- a sequence of stages, management of information, and interpersonal relations -- work seems likely to depend on how well negotiators put across their messages and interpret what they hear.

To arrive at a more detailed formulation of the special problems of negotiation language, we must look further at how researchers have thought language might affect procedures and outcomes. We should also look at the sort of language which negotiation trainers, themselves usually experienced negotiators, feel gets results. It is time now to put the particular language demands of negotiation under the microscope.

## CHAPTER TWO: Negotiation -- Language and Goals

The fact that verbal stratagems directed against the opponent can ricochet in bargaining has resulted in a spurious mutation of communications in this social area. In the whole of human discourse I question whether there is to be found anywhere else a more extraordinary hybrid of efforts both to clarify and to muddle ... . Of the many unique features to be found in this field, none, I would venture, is so little understood as this unnatural deployment of language.

(Ann Douglas 1957: 78)

### 2. 1. NEGOTIATION TALK

Investigators into negotiation have chiefly focused on the link between outcomes and strategic moves or social behaviours. Their descriptions of the linguistic behaviour of negotiation have been secondary to the main target of investigation. They have looked at (e.g.) payoffs as indirect evidence of power or attitude (both negotiation by-products) rather than at language as direct evidence of a negotiation process (but see Putnam and Jones 1982a.) A concentration on indirect evidence is not surprising: real-life negotiation is sensitive, often secret, so data are scarce, and professional bargainers' time is often too heavily committed and expensive to allow more than the shortest debriefing by would-be ethnographers.

Access, then, is one problem. Another is the length of the interaction, which has been regarded in the past as analytically unwieldy.

One reason that communication processes in negotiation have received relatively little research attention is the high cost of studying this process. Many of the other elements that affect negotiation outcomes... can be approached in research through relatively simple manipulations. In contrast, studying "live" negotiation deliberations requires intensive analysis of a great wealth of free-flowing communication, and effective mechanisms for reducing this information to meaningful categories, sequences and generalizations.

(Lewicki and Litterer 1985 :175)

Yet negotiation is talk. Whether one defines it as a speech activity aiming at conflict resolution or as a conflict-resolving activity necessitating speech must depend on one's focus, but this is certain: utterances in negotiation are not only the outward signs of tactics and strategies. They are at the same time the tools that enable such tactics, and to make them sharper investigators from many disciplines regard systematic linguistic analysis as a matter of some urgency:

It is the authors' belief that failures and distortions in perception and communication are the single most dominant contributor to breakdowns and failures in negotiation,

(Lewicki and Litterer 1985 :176)

### 2. 1. 1. Laymen and linguists: two perspectives

Negotiators themselves are interested in improving their outcomes by better language use, although their application of linguistics to this problem is intuitive, rather than systematic. In this chapter and the following one negotiating language will be looked at from two different points of view. First, this chapter will report on some of the language features which popular training texts (see full list in Appendix Section 1) recommend or decry, or which researchers mention as apparently significant in negotiation interaction.

The writers reviewed fall in to two groups:

- (1) those professional **consultant negotiators** who serve a variety of clients (private, commercial, military and diplomatic) and who also run negotiation training courses, or have written self-help training books based on their experiences (e.g. Kennedy, Le Poole, Nierenberg, Rose.)
- (2) **researchers** from various social sciences who have based their hypotheses and enquiries on prolonged and detailed consultation with professionals negotiators (e.g. Lewicki, Pruitt, Druckman, Morley and Stephenson.) Some writers fit into both classes, being academic researchers who also act as professional negotiators (e.g. Fisher and Ury, Raiffa, Sebenius.)

Their observations, although lacking linguistic systematicity, are of interest to linguists on several counts. First, where 'live' data are difficult to gather, they are ethnographic evidence of what experienced practitioners think is going on in the interaction. Second, they are the basis of the current model of negotiation outlined in the previous chapter; when the original 'choice-perspective' concept of negotiating proved an inadequate explanation, negotiators' insights and comments served as a stimulus for alternative hypotheses, which in turn prompted experiments (see Putnam and Jones 1982a) to test empirically what effect the altering of communication has on negotiation outcomes. Next, these observations represent a lay attempt to apply linguistic systems to practical purposes, i.e. to associate with the strategies and tactics of a demanding speech situation certain words, phrases, sentence structures, or discourse features such as tone of voice, listening techniques, turn-taking, interruption, and styles of persuasion. Fourth, from the point of view of defining what might constitute valuable skills in EIL, they offer a chance to gauge how much of the effectiveness of the recommended language would remain if the negotiating parties came from different socio-linguistic backgrounds.

Finally, the observations prompt an intriguing consideration of whether, or to what extent, negotiators' intuitions about negotiating discourse are compatible with what linguists postulate about discourse in general. This last question can only be answered from the second of our two perspectives, that of the linguist. After this report on negotiators' recommendations, the next chapter will look at relevant linguistic theory to see whether it supports the idea that particular language features and systems could have positive or negative effects on negotiation outcomes, thus deserving more systematic investigation in future. That chapter and this present one, giving two different perspectives on negotiation and language, will then serve as background and guide to subsequent analysis of negotiation discourse.



### 2. 1. 2. Looking at the recommendations

The material being discussed in this chapter was culled from a survey of twenty-one books, six articles and one series of radio programmes, in which references to language, direct or implied, were noted. This was by no means an exhaustive survey -- books and articles on negotiation are appearing every day. But the classics were covered, and if one excepts the broadcasts (which were designed for language teaching) to a linguist it is surprising how seldom language is specifically referred to in this literature: from nearly 4000 pages of text only 234 explicit references to language were gathered, although some of those entail ideas developed over several pages. To negotiators language seems to be taken for granted much as air is. That said, certain writers (e.g. Kennedy; Nierenberg) were found to be more language-aware than others, and on the whole language figured more frequently in recent books and articles than it did in earlier ones.

The 234 references to language were tallied roughly under the main headings of:

- 1 the three drivers of negotiation, i.e. sequence of stages, information processing, and interpersonal relations
- 2 the communication goals nominated by the writers (e.g. influence enhancement; argumentation; signalling; etc.)
- 3 the discourse phenomena they pertain to (e.g. turntaking; topicalization; channel of communication; etc.)
- 4 the structural feature (if any) referred to (e.g. syntax; lexis; phonology)

This informal categorization highlighted three interesting things.

First, it was very hard indeed to find mentions of particular language systems or features that do not serve all three drivers at once: language regarded as either prompting or signalling a change of stage was at the same time language that implemented information management, and/or affected the interpersonal relations between the parties. This supports many writers' contention (see e.g. Gulliver 1979 cited in

Section 1.5. of the previous chapter) that forward progress is the result of a dialogue-dependent learning process about both factual matters (cognitive content) and the attitude/feelings of the other party, with a strong connection between information and affect. What negotiators think they know can colour how they feel about the opponents, while at the same time how they feel can influence both uptake and interpretation of what they have to learn. As pointed out before, the interdependence parallels the synergy envisaged in the Hallidayian conceptual framework of three language functions, all three typically realized in all clauses, where the ideational function is concerned with the expression of experience, the interpersonal function with the regulation of social relations, and the textual function is concerned with the structuring of a speech act, having "... an enabling function with respect to the other two; it is only in combination with textual meanings that ideational and interpersonal meanings are actualised." (Halliday 1978: 112-13).

Second, certain items cropped up repeatedly in most of the books, as the language use which negotiators are most conscious of and regard as particularly powerful. These are

- (1) **topic management** (a factor in 129 mentions)
- (2) the fine control of speech acts which may be regarded as **commissives** (threats, warnings, promises, concessions, etc.; 89 mentions )
- (3) various means of and reasons for **moderating directness** in speech, including conditionality and qualification, face threats, etc. (74 mentions)
- (4) **discourse management**, i.e. listening, pause or turn length, interrupting, etc. (65 mentions) and
- (5) the use of **question forms** (14 mentions).

These five areas of language will serve as headings to organise the discussion which follows.

Third, it became obvious that some language performance skills were invisible to most writers; there is very little overt mention of the



mechanics of turntaking, for example, although as we shall see it is addressed implicitly. This may merely reflect writers' positing a English NLS/NLS (English native language speaker) dialogue in which the sociopragmatics of turntaking is part of shared linguistic competence, but if non-linguist observers are in fact unaware of the extent to which differing discourse pragmatics can make previously smooth interaction go suddenly wrong, linguistic insights into negotiation discourse could make useful contributions to better negotiating.

In the report that follows statements about negotiating language represent a composite view of most writers, exemplified sometimes by particular quotations. Where individuals take a different line, or introduce topics largely ignored by others, this will be made clear.

## 2. 2. NEGOTIATORS' ASSUMPTIONS ABOUT NEGOTIATION LANGUAGE

### 2. 2. 1. General pragmatic assumptions

One category of 'invisibles' was apparent to at least a few writers, who were aware that effective bargaining depends on the negotiators sharing some unconscious preconceptions about what negotiation is, and how it works. It is acknowledged (by e.g. Kniveton and Towers 1978: 50-51) that stereotypes, originating in negotiators' social and cultural upbringing, gender, age, and personal experience and history contribute to an egocentric point of view in bargainers. To these sociopragmatic 'frames' (Tannen 1975) we can add pragmalinguistic presuppositions. These have been shown to be a drain on time and goodwill in international negotiation (Ulijn and Gorter 1989). To circumvent the misunderstandings which can result when individual perception is confused with objective reality many writers in addition to Nierenberg (1968: 66) suggest that 'one should always go beyond the mere words of the negotiator...' and verify facts in the outside world. This verification may be possible with the cognitive content of a message, but is much more difficult with the intangible information about the speaker's affect which is being processed simultaneously. In this

regard, Kennedy et al (1987: 53) acknowledge that parts of the information with which negotiators start their bargaining are assumptions about the other side: what they want, what their inhibitions are. These assumptions can only be tested and verified by paying careful attention to their positive (interested) and negative (inhibited) responses to proposals, since the surface message of their set-piece rhetoric may be misleading for various strategic reasons.

#### 2. 2. 2. Writers' assumptions about the negotiating speech situation

The pragmatic macrogoals of a negotiation speech event are successfully achieved when the status quo ante is altered by the communication into a desired outcome (e.g. agreement, contract, mutual decision making.) The momentum, then, is change: changing the situation from conflict to agreement (through a series of stages) by changing the participants' minds about the facts and about one another. Negotiators need great communicative skill to get the maximum revelation and concession while defending against giving too much away. The following general list of communicative goals has been compiled from aims mentioned in the previous chapter, sorted according to which of the three negotiation drivers they principally relate to; since the drivers themselves are inseparable except for purposes of discussion, it is not surprising to find that many of the objectives could appear under each of the three headings.

#### SEQUENCE OF STAGES:

- signal (and recognise) readiness to move on to next stage (usually by proposal)
- signal (and recognise) agreement and disagreement
- fulfil agreement rituals, to make things stick

#### INFORMATION MANAGEMENT

- find out others' agenda: what items ?
- in relation to items, find out others' principles, motivations, exit points, priorities and inhibitions.
- give a controlled image of one's own agenda
- hide some of one's own motivations, exit points, priorities and inhibitions.
- keep track of one's own changing expectations and possibilities
- make productive commitments and concessions (right size, right timing)
- recognise and act on others' commitments and concessions

- combine items into packages (something for us, something for them)
- summarise and organise facts

#### INTERACTION

- make a good (i.e. influential) impression
- measure relative influence of selves and others
- find out how predictable (trustworthy) others are
- keep interaction going until satisfactory outcome is reached
- recognise and perform productive social rituals (greeting, time management, status markers, etc)

As evidenced by their own definitions, negotiators recognise negotiation discourse directed towards the above goals as a unique variety of purposeful dialogue, not to be confused with a debate or a trial in which one performs for a third party audience, but a means of conflict resolution best pursued by speaking 'to be understood.' That said, mixed motives make bargaining a complicated speech event pragmalinguistically and cognitively, such that the uninitiated might despair of effecting a mutually acceptable outcome. But according to Raiffa the multiplicity of topics, the uncertainty and confusion of issues, and the ambiguousness of statements/information in fact actually facilitate compromise.

In this perverse sense, the complexity of reality yields simplicity; many real-world negotiations are happily not as divisive as starkly simple laboratory games, because in the real world it is difficult to see clearly what is in one's own best interest, (Raiffa 1982: 274)

Nonetheless negotiators work to push things in directions they assume to be in their best interests. Potential conflict and power struggle are thought to make bargaining a highly manipulative speech situation. Pruitt (1981: 81 & 180) suggests four kinds of language use which together make up the accepted "pressure" tactics: (1) persuasive argument, sometimes based on misrepresentation, (2) putdowns, to impress the others with one's own status or power, (3) positional commitments, to show one's determination to stick to certain objectives, and (4) aggressive commitments -- such as threats or warnings -- to show one's willingness to act against the others. The exact tenor of such pressure language depends on whether the language domain is the family (deciding

where to spend the holidays), small business (bargaining for a used car), or diplomacy (the Camp David Talks.) The parties' assumptions about their negotiating domain are thought to have an impact on strategies; pressure tactics and heated eloquence are said (e.g. Kennedy et al 1987: 147ff) to be less productive in commercial negotiation than in labour-management disputes, for example.

### 2. 2. 3. Writers' assumptions about language

This section will point out some of the aspects of language which act as a background to discussion below.

#### 2. 2. 3. 1. Understanding and meaning

"Negotiations involve the exchange of ideas between human beings directed toward changing a relationship." (Nierenberg 1968: 34) Most writers refer to the fact that when they listen to the other party, negotiators are looking for some recognisable pattern, some regularity of behaviour which can help them predict what attitudes, and therefore what outcomes, to expect. They are advised to accumulate some information from non-linguistic sources like preparatory homework done before the speech event itself, and during the confrontation from non-verbal communication like posture or facial expression. But it is assumed that predictability primarily depends on language, which all writers recognise is not always easy to interpret.

Lewicki and Litterer suggest (1985: 113) that to communicate, "At minimum [the others] must understand the meaning we attach to our statement; hopefully they also attach the same meaning to the facts we do." Meaning is seen by many writers as a bridge between language and 'reality', albeit a dangerous one in that it depends on hidden assumptions about the relationship between the two. Many writers point out how **pragmatic force**, not **semantic sense** alone, creates several levels of meaning in discourse, described by Nierenberg (1968: 99-100) as (1) speaker messages, (2) hearer inferences from the text and performance, and (3) hearer interpretation from assumptions about speaker's attitude

to the subject. This perception parallels distinctions drawn by Thomas (1983) which will be considered in the next Chapter.

Writers on negotiation continually emphasize the fact that the substantive meaning of an utterance is not constant: ("*This is my best offer*" or "*we cannot agree to your claim* ") conveys different information in the closing stages than it did in the early ones (Gulliver 1979: 86.) The sensitivity of meaning to context is of course one of the factors which has widened the horizons of semantics (Lyons 1977).

As we saw in the previous chapter, information-gathering is a prime objective of bargainers, and non-verbal communication can be evidence:

The seasoned negotiator is ever on the alert for tip-offs on the mental processes of his opposer, for clues that will reveal his motivations. He listens carefully to what the opposer says and meticulously observes the way he acts. His mannerisms and gestures, his recurrent phrases and modes of expression, all are clues to this thinking and his desires -- his hidden needs,

(Nierenberg 1968: 91-92)

Nierenberg and others give catalogues of gestures and expressions, together with possible interpretations (e.g. blinking as a sign of fear and guilt), but admit that "...bargainers sometimes develop a practised deadpan expression so as to avoid revealing such information." (Pruitt 1981: 175.) And Nierenberg particularly warns (1968: 104) about interpreting non-verbal and paralinguistic features in cross-cultural communication: whereas some 'universal' gestures are inborn in all humans -- smiling, perhaps -- most others are acquired in accordance with accepted practice in a particular culture, their meaning varying from culture to culture.

Despite this interest in gesture, language is acknowledged to be a clearer signalling device than non-verbal communication or size of concession. Writers suggest that one way to shield information is to make everything demanded sound of equal priority (Kennedy et al 1987:

32.) But this is functional only up to a point. In the end, even high conflict negotiation events must move towards resolution, movement which can occur only when both parties have enough confidence in their judgement and perception of the situation to reveal another piece of information by signalling. Deliberate deception -- which we will discuss further below -- and inadvertently getting stuck in a argument loop as described above are equally unproductive when it comes to building up banks of information from which settlement packages can eventually be constructed. To further this practical end, writers recommend several tactics: topic choice, pragmatic force of arguments, and discourse strategies which promote easy communication.

#### 2. 2. 3. 2. Functions and form

The parties in a particular negotiation event have specific **pragmatic goals** that they want to achieve. When language is mentioned in the training or research literature, the object is often to give practitioners more conscious control over choosing **language exponents** which best fulfil the purposive **language functions** desired, and ultimately contribute most efficiently to the pragmatic goals. In this regard, writers focus most often on language as words and phrases; certain expressions are seen as weak (*we hope; we like, we prefer; most of our members*) and others as strong (*we need; we must have; we require; our entire membership*; see also Section 2. 5. 3. below). Most writers advise consciously using holophrastic routines to cover particularly tricky functions (e.g. *please correct me if I'm wrong, but ...* to introduce cautiously a negative view of the other party; *one fair solution might be ...* to make a proposal sound objective and principled; *I have trouble following your reasoning* to challenge the argument or truth of others' assertion). There is also an awareness of grammatical structure: *either/or* structures, for example, are recommended to iterate proposals which avoid instant acceptance or rejection and which elicit in response the maximum amount of information about the other side (*We can quote you £ 505 for 12 weeks delivery CIF, or £ 423 for 16 weeks delivery FOB.*) Phrase or clause order is believed to lend power to utterances.



Thus when using conditional cohesion (universally recommended as the first choice for making proposals: *If you do X, then we will do Y*) negotiators are advised always to state the *IF...* clause first, lest it be forgotten, cut off by interruption, or interpreted by the other side as an afterthought and thus ignorable (see Kennedy et al 1987: 113-115.)

### 2. 2. 3. 3. Discourse features

Beyond words and clauses, writers are conscious of discourse macrostrategies -- although they normally describe them as 'tactics', not as language -- such as choice and sequence of propositions. Regarding this there is a debate as to what sequence is most effective: in persuasive argument, some writers (Rose 1987: 24-26; Fisher and Ury 1981: 130) opt for stating reasons and principles first, proposals second, so that wants are placed in context, and the principles don't sound like mere justifications. In contrast, Kennedy et al (1987: 91) suggest that the order 'propose/rationalize' is more effective, on the grounds that if the justification comes first it sounds over-apologetic. We will discuss topic sequence below in connection with topic management but this initial mention demonstrates writers' awareness of it as a means whereby actualization (utterance) serves intention (function) in a speech act, or ultimately a sequence of speech acts, which collectively function as a tactical macro-act. The risks of negotiation require caution and finesse in accomplishing speech acts or building up macro-acts, but in discussing this many writers find it hard to know where to fit the requisite indirectness -- often extreme indirectness -- into their image of 'language'.

In a halfway category between verbal and nonverbal communication is a wide realm of verbal signals that say one thing but mean another (i.e. double talk). An extreme example would be the management negotiator who...conveyed willingness to concede to a five cent raise by *denying* interest in this offer. 'Fifteen cents' he erupted. 'You can't really mean it. Why, I wouldn't even offer you five cents.' Experienced bargainers become quite adept at making and reading such signals,

Pruitt 1981 : 175

Indirectness of speech, particularly as regards signalling, is a major focus of this chapter, but it is fair to say that with the notable



exception of McCall and Warrington (1984) writers assume that they are discussing primarily tactical or strategic skills, not language skills.

With regard to the formal interactional patterns of dialogue (conversation strategies or **discourse strategies**), we have already said that writers generally overlook some (the mechanics of turntaking, holding and relinquishing the floor) but assume the importance of others (interrupting, getting attention, showing attention, signalling the end of a topic or of the entire interaction, and so forth.) These will be discussed in the following sections.

#### 2. 2. 3. 4. Choice of language

Before moving on to discuss recommendations in more detail, we should look at one final assumption which the writers reviewed make about language, which is that all participants will share the same code (English) and sociopragmatics (some variety of English NLS). This may not seem remarkable, since the books surveyed are written in English for a predominantly English NLS readership. But many of the examples used, particularly by the researchers, are taken from international negotiation. Only a few writers (Kennedy 1985; McCall and Warrington 1984; and especially Le Poole 1987) refer to the sociolinguistic impact of choosing one language over another for interaction, or suggest that English NLS negotiators should expect to have to negotiate in another language or even know enough for minimal politeness.

### 2. 3. TOPIC MANAGEMENT

#### 2. 3. 1. Topic choice and sequence

In the writing surveyed there was no advice as to when to introduce certain topics. However on the question of who is allowed to introduce a 'bargaining' topic, Kennedy (1985: 71 & 94) remarks that this is in itself a sensitive issue at the most fundamental level, particularly in cross-cultural negotiations. He suggests that in general the party who

are 'at home', i.e. operating in their own cultural environment, should be allowed to take the lead, and warns that in some cultures several days may go by before preliminary courtesies are completed and negotiating topics can be broached. But he cites an exception: apparently in the USA visitors "...have forty-five seconds to make a hit or blow it."

Once the topic has been introduced, there are many pieces of advice about how to structure the conversation so that the maximum amount of information can emerge with the least risk of harm to either side. We have mentioned above that much negotiation interaction is described as complex and confusing even to those participating. Gulliver (1979: 114 and 151-2) stresses that the apparent non-sequiturs, abrupt topic shifts, ignoring others' messages, looping back, etc. are not as counter-productive as they might appear to outsiders. "The whole process of negotiation is, in one sense, gradual creation of order out of confusion." Disorder is said to be greatest at early stages, with uncertainty often expressed as shows of impatience and hostility. At first it may seem like the parties are talking at cross purposes or not heeding one another's arguments, but as the interaction proceeds the range of topics and issues narrows. The oscillation of topics and details is thought to allow negotiators to protect their information, explore connections, tease out reactions, and gradually eliminate non-starters, so that options can be combined and re-combined (*log-rolled*) into increasingly acceptable packages. Kennedy et al (1987: 57-8) suggest building up a pool of options by using a sequence of questions -- regarded by most writers as being more self-protective than statements -- to elicit facts and explore any information gained. The mechanics of this will be discussed further in Section 2. 7. below.

Pruitt (1981: 173-4) reminds readers that the substantive topic of an utterance encodes extra information about motives "... in terms of what is demanded in contrast to what might have been asked." In addition, by the precise form of their statements about how a proposal could be improved, a party can provide what he calls "directional information":

Presumably, the listener decodes this information by assuming that the items mentioned for change reflect the communicators's high-priority values, (:173)

Writers suggest tapping both of these information sources directly by first asking the other party how they would change a particular proposal to make it more acceptable, and then following this by bracketing, i.e. asking them to choose -- in principle only -- between two alternative proposals developed from the first information.

Fisher and Ury (1981: 81-2) suggest topics to be raised in the last stages of negotiation which will make agreement more likely; these include potential appeals to legitimacy and precedence, reminders of the rewards and perks that will accompany agreement, and -- subtly planted -- some good come-backs which the other party can use to defend themselves against any criticism they may receive from their constituents for having made the agreement. Consciously focusing on the others' constraints, Fisher and Ury suggest, is a good way of arriving at language which will help re-draft agreements in terms that will get a 'yes'.

### 2. 3. 2. Topic development

The flow of information is seen as crucial in changing the others' minds about the issues and their position. With that in mind, Kniveton and Towers present (1978: 74-5) several topic development tactics that seem to add weight to information, such as incorporating reminders of the speaker's prestige status or role into the message, or emphasising the speaker's integrity by phrasing a message so it appears to be against the her/his interests. They point out, however, that the gain of this latter tactic may be nullified if the substantive content itself gets muddled in the process. On a less Machiavellian note many writers agree that messages have more influence when they seem to contain 'new' information, although they feel that reiterating or restating old information in fresh ways can fulfil this requirement. In this regard Pruitt (1981: 94) points out the delicate balance when signalling of

making something noticeable yet disavowable if the signal should turn out to be counterproductive. He recommends either a change in an old routine (dropping an item in a previously proposed package, for instance) or mentioning something new but as if in a counter-committed way (as in the 'We wouldn't even consider 5 cents ! " example.)

### 2. 3. 3. Attitude manipulation

The suggestions above focus particularly on information presentation, but others look more to the problem of altering attitudes through topic slanting. In this respect, all writers give thought to how information can be contextualised to have the maximum impact on the other party. Much space is devoted in the literature to ways of demonstrating an attitude of other-support: Fisher and Ury (1981: 26) insist on the need overtly to discuss the other party's point of view and general needs even if (in low-conflict bargaining) these don't appear to be part of the current controversy, and they also suggest (: 56) that the others will be more objective about reaching an agreement if as much energy and emotion is put into support statements for them as into attacking the problem.

"As I understand it, your interests as a construction company are basically to get the job done quickly at minimum cost and to preserve your reputation for safety and responsibility in the city. Have I understood you correctly ? Do you have other important interests ?"

(Fisher and Ury 1981: 52-3)

As well as selecting topics which acknowledge others' interests, many ways are advanced for indirectly topicalizing the other party's involvement in the problem (*Do you have children ? How would you feel if gravel trucks were hurtling down on them ?*). A more subtle tactic than analogy is to roll together both parties' interests by the use where possible of the inclusive pronouns 'we', 'us', and 'our': *it would be terrible for all of us if there were an accident ... and ... we have made significant progress, although a few issues still separate us....* Kniveton and Towers (1978: 77-8) have reservations about sympathetic signals. They feel putting both sides of the argument --weighted a bit

in one's own favour -- is useful in cases where both sides are fairly well informed, in that it makes a good impression of fair-mindedness and gives the others the security of knowing they have been attended to, but in case where the others are less well informed, it may be best to confine statements only to own-party arguments, lest one muddle the issues and plant ideas in the others' heads that they would not otherwise have thought of. Many writers suggest enlisting support from normative arguments (classified by Bacharach and Lawler (1981: 175) as of three kinds: equality appeals, equity appeals and responsibility appeals), or arguments from principle, history, previous positions, etc. In this respect the precise phrasing of such arguments is thought to be important, so that both sides can accept them as fair and use them to demonstrate to constituents the fairness of any agreement.

Little attention, however, is paid in the literature to the social and cultural specificity of such normative or historical arguments. This also applies to the question of ethics, which preoccupies all writers on negotiation. As regards the ethics of topic development, Gulliver (1979: 85ff) acknowledges that negotiators must edit and select their information to maximise their advantages, and minimise their weaknesses. They must expect others to do likewise, and interpret utterances accordingly. In discussing this assumption in Section 2.2.1. of this chapter, we remarked that writers recommend verifying factual assertions (without actually saying 'you liars'.) But verifying the others' attitudes is acknowledged to be problematic when their 'editing and selecting', although not exactly lying, blurs the facts. Raiffa (1982: 143) echoes the opinion of most of the negotiators when he says that while it is not very ethical to say outright that one would hate something when actually longing for it (*we can't agree to Ms X being made redundant*) it may be permissible to hint at resistance (*well, if you give us Y and Z, we'll have to resign ourselves to the loss of Ms X*). He indicates (1982: 143) that utterances about what parties are willing to trade are probably the straightest, and those about priorities and focal points the most suspect. Others (Rose 1987; Lewicki and

Litterer 1985) imply that the degree of prudence may depend on the level of conflict in a particular negotiation, just as the mechanics of prudence vary from stage to stage: they suggest that in high-conflict bargaining negotiators may have to resort to 'screening' in the first stages by concealment (silence, and the use of questions rather than statements) or smokescreening (raising many side topics and bogus issues), then go on to 'misrepresentation' in later stages by selecting and editing information, or selectively interpreting it by argument or the show of emotion. Ironically, over-explicit utterances have in fact been found to arouse mistrust in hearers who fear they are being manipulated or tricked with a 'plant'.

In their handling of the issue of bluffing -- which amounts to an attempt to build up a phoney vision of the respective power between the parties -- writers devote space to catalogues of 'dirty tricks' designed to enhance the trickster's power or status, and attack the self-image of the victim. Some involve non-verbal tactics like enforced waiting and refusal to make eye contact. Those dependent on linguistic means include mechanical interference with the conversation structure (constant interruption and distraction, obvious failure to listen followed by request for repetition), but most are a matter of topic selection, like overt challenges to a negotiator's authority to make decisions, or personal comments on clothes or appearance. In addition to these macro-strategies, many writers refer to the impact that relatively minor syntactic details can have on the way negotiators perceive their relative influence. One suggestion is that influence is affected by using reinforcing vocabulary. *Our entire membership* is thought to sound more powerful than *our members*; *we want* shows more muscle than *we request*. These are in contrast to feeble sounding expressions which writers say should be used to describe the other party's position but never one's own : [*you*] *would prefer*; *would like*, *hope to get*.



In any event, successful negotiation is seen by all writers to depend on one element of credibility, the observation of a so-called (Pruitt 1981) 'norm of truth' in signalling:

For clear signals to be useful in the coordination of concession exchanges, the source of such signals must observe a *norm of truth in signalling*... This rule specifies that bargainers must take the concrete step they have tacitly promised once the appropriate quid pro quo has been received from the other party, (:97)

As we will see below, this has particular implications for statements of commitment, explicit or implicit.

#### 2. 4. ACTS OF COMMITMENT AND CONCESSION

Forward progress towards negotiated agreement depends on assimilation of and reaction to information, gleaned from analysing revelations and observations. While the revelations may be straight message transfer, they may also often take the form of acts of commitment or proposals: when one party makes a proposal, they 'give something away' also in the sense of showing weakness (where they're vulnerable, and to what extent) and --by implication-- what they want to hang on to, are really interested in. And according to Rubin and Brown (1975: 279) statements of commitment are a prime source of "...information about a bargainer's preferences and intentions; promises and threats also convey important information about the transmitter's perceptions of the other."

Although the two terms dominate the literature, the relationship between 'commitment' and 'concession' is not always clear. One or two books use them as near-synonyms, but most writers agree with Lewicki and Litterer (1985: 94-5) in regarding **commitments** as assertions of the intention to do something, "... statements that usually have to be acted upon", having three properties: a high degree of finality, a high degree of specificity, and a clear statement of consequences. The **concessions** which constitute the power-play of negotiation are normally expressed as explicit or



implicit promises encoded in acts of proposal or agreement to a proposal.

#### 2. 4. 1. Using commitment

Statements of commitment of every sort are thought to increase the pressure towards forward movement in bargaining, but some are recommended more than others. Whether it is most productive to threaten, warn or promise is felt to depend to some extent on the nature and stage of the particular speech event, but experience suggests, and research confirms, that threats are less useful than either warnings or promises (Rubin and Brown 1975: 2). Overt threats, be they compellance threats (*Do what I want, or else*, which give the listener only one possible acceptable behaviour) or the slightly less hostile deterrence threats (*Refrain from what I object to, or else*, which allows greater latitude for the listener to claim that a proposed action is not exactly what is objected to) carry the danger of arousing rebellion due to face loss, and they also are one-shot tactics which can misfire in two ways: if challenged to carry out a threat, a party can either do so and wreck the negotiation, or back down and wreck their credibility and power (Kennedy et al 1987: 168-70) either of which is disastrous to negotiation goals. Better to avoid this sudden-death outcome by either phrasing the threat in highly indirect and implicit terms (*"We will view any arms sent to X with alarm"* -- Pruitt 1981: 83) or by wording a direct statement as a warning instead.

Moderating a threat into a warning is seen by several writers to be accomplished by formulating an utterance which expresses one's own perception of the other's interests: "If we were to meet that quality specification we would have to delay delivery by up to six months." This can be further softened by the addition of a concession-commitment: "However, if you are prepared to cover the higher cost we could achieve the higher specification and meet your delivery deadline." (Kennedy et al 1987 :100) More explicitly, Pruitt notes that a performative verb (*I*

warn you...) is sufficient to 'type' an utterance, but however phrased, in essence a warning is

...a persuasive argument *predicting* adverse action if a concession is not made, whereas a threat is a *commitment to take* such action,  
(1981: 83; author's emphasis)

That is to say, the utterance avoids making the speaker an active agent in the adverse action. (*We will [threat] -vs- [threat] will happen*). As enunciated, this definition apparently removes warnings from the commitment category, but most writers seem to accept that the speech act 'warning' can be realised by statements which, as well as predicting and voicing perceptions of the others' interests, hint at a commitment to aggressive action (*Should we fail to agree, it seems highly probable that the press would make a meal of it. I don't see how either of us could legitimately suppress information, do you ?* -- Fisher and Ury 1981: 142)

In contrast to the other two, promises are seen (at least on the surface) as commitments designed to win friends. But many writers (see Pruitt 1981: 83, reporting on research by Rubin and Lewicki) perceive the differences in the three, particularly where conditionality is present, as residing more in the semantic proposition expressed by the wording than in the pragmatic force. The promise *If you do what I want, I will do what you want* is acknowledged to imply a pragmatic force that *If you don't do what I want, I won't do what you want*.

It is recommended that negotiators underline the bindingness of commitments by reiterating them or renominating them as topics repeatedly in later discussion. And in reverse, writers suggest ways of handling unwanted commitments by (Lewicki and Litterer 1985: 97) wasting time or starting a diversion to head off the commitment statement before it starts, by downplaying it perhaps with humour, or by ignoring it completely. If these ploys are successful, and if the others' minds can subsequently be changed, the unwelcome commitment can be dropped

quietly without loss of face. One final word on commitment statements comes from Kennedy et al (1987 :90) who mention the deleterious effect that hesitation noises (ums and ehms) have on the confident sound of proposals: credibility is not enhanced by sounding embarrassed at having to advance one's own case.

#### 2. 4. 2. Commitment and the norm of truth

All statements of commitment, be they threats, warnings or promises, are dependent on the hearer's belief that the speaker has the power, the will, and the present intention to carry them out. Establishing this norm of truth is regarded as part of the information transfer skills that negotiators require. Most writers would like to support Le Poole's advice (1987: 82) to be honest oneself, since "It's hard to cheat an honourable person" but much hangs on one's definition of honesty. Bluffing -- encouraging a false vision of the power ratio -- is an accepted requisite for shrewd negotiation, but exactly what is allowable in this regard depends on assumptions about the ethics of truth and falsehood. The relationship of language to truth is obviously an area where assumptions are important and highly culture sensitive. For Fisher and Ury (1981: 140) "Less than full disclosure is not the same as deception." In a case where a false assertion of interest is required to hide a negotiator's preferences, Raiffa relies on shared knowledge of the pragmatic force of modality to preserve integrity:

Use phrases like 'this is what I would like to get' rather than 'This is what I *must* get' when your 'must' value is not really a must,  
(1982 :128; author's emphasis)

#### 2. 4. 3. Conditionality, commitment and concession

While qualification and conditionality can be used to soften the impact of a potentially hostile commitment (*We might have to... -vs- we will*), they are seen by all writers as absolutely essential language components when the commitment is a concession. Negotiators are warned always to make a concession (*we'll agree to a 17 % discount...*) contingent on a reciprocal concession (*...if you order more than 100 cases at a time.*)

This encoding of a quid-pro-quo is to prevent the image-loss implicit in giving something up to the other side, and the tentative tone it establishes is felt to have the psychological advantage of leaving each side, without violating the norm of truth, room to change or revise their position, not to feel that bridges are being burnt when a commitment is uttered. In this way banks of options can be established and and potential packages explored with both sides getting a clearer view of the areas of overlap. Conditionality in utterance structure provides the security needed if this information is to come out into the open.

Tie your deal together with conditional propositions; link every element of it together to prevent [the opposition] from picking off concessions on an item by item basis; and above all, insist that if they alter the terms of one item in the deal you must make a corresponding adjustment to another item, (Kennedy 1985: 124)

This implements the consultants' maxim that nothing should be firmly conceded until the very last agreement stage.

There are two other ways in which conditionality and qualification is said to work to a negotiator's advantage. In a tactic designed to win friends without losing ground, the illusion of a concession can be created by first setting up a bogus ideal position and then immediately modifying it conditionally. (*"Under normal circumstances, it would now be necessary for us to increase our price by 20 percent... However, in view of our excellent relationship, and on condition that you are prepared to continue buying from us, we are prepared to reduce this to £ 110."* -- Kennedy et al 1987: 82-3) On a less manipulative note, extreme qualification and modality can help to avoid commitment and conflict in a delicate situation, particularly where one is negotiating cross-culturally (*Here is what I was thinking of suggesting, what do you think ?* as opposed to *Here is what I suggest...* -- Kennedy 1985: 70.)

## 2. 5. CAREFULLY CONSTRUCTED MEANING: INDIRECTNESS

### 2. 5. 1. Directness and the norm of truth

The power of commitment apparently depends on how convincingly the speaker can signal both ability and willingness to carry out the proposed action (called "the resources of usable strength" by Gulliver 1979: 205.) With regard to the so called 'norm of truth', writers assume (Lewicki and Litterer 1985: 96) that this believability is established not only by actions, a history of doing what one says one will, but by language as well. The difference between a bluff and a real commitment is seen by many writers to lie in the degree of specificity and finality encoded in the wording of the former. To Lewicki and Litterer (: 96) real commitments are characterised by lack of exaggeration, by simple direct statements of the proposition, conditions and consequences, and by reference to other previously carried-out commitments. Equally, to avoid getting stuck in an unwanted position oneself, one is advised to leave a path of graceful exit (Pruitt 1981 :76) by qualifying the specificity of the proposition, which is felt to dilute but not annul the beneficial effects of concession making.

### 2. 5. 2. Argumentation: specificity and vagueness

In terms of the general argumentation of bargaining, Bacharach and Lawler (1981: 161-2) identify three degrees of specificity: focused argument, where both sides define the issue/s in specific terms; diffuse argument, where both adopt a broad conception of the issue/s; and conflictual argument, where each side takes a different approach. Focused argument is said to get quick results, but diffuse argument can help in certain circumstances by "justifying specific proposals in more general terms" which can "...often indicate possible areas of settlement better than specific proposals." (Bacharach and Lawler 1981: 160) It has also been suggested (Kennedy et al 1987 :86 and 117) that specificity will vary according to the stage of negotiation: in the early stages highly specific statements of demands, grievances, desired remedies, and needs are necessary to sketch in bold outlines. Concrete details --

constructed with strong lexis and low or no modality to reinforce the sense of commitment -- make description credible and add impact, and should only be softened by disclaimer routines like "Correct me if I'm wrong..." (Fisher and Ury 1981: 52.) But eventually during option-exploring and package-building this kind of language must yield to more qualified statements of proposals, perhaps employing what Fisher and Ury call 'illustrative specificity', that is the use of modality to indicate the 'unreality' of an otherwise concrete illustrative suggestion. For example, in a contract negotiation, an agent might say

\$ 250,000 a year would be the kind of figure that should satisfy Cortez's interest in receiving the salary he feels he is worth. Something in the order of a five-year contract should meet his need for job security.

(Fisher and Ury 1981 :55)

This is suggested to replace over-vague signals which distort communication. A statement like *We might be willing to make a minor concession on this issue if you were to propose something more substantive* (Lewicki and Litterer 1985: 171) can only be useful towards packaging building if in due course the vague signals and perceived ambiguities can be firmed up by questioning, bracketing, etc.

### 2. 5. 3. 'Strong' and 'weak' language

Writers recognise direct language as 'strong' and indirect language as 'weak'. In this (in common with Brown and Levinson 1987) they include the specificity/vagueness of quantifiers and other lexis. A recommended manipulation of strong-weak balance in language is the coupling of weak noun phrases with strong verb phrases (*Some of the garments / fail to pass inspection*) or vice versa (*All the garments / could be finished a bit better.*) The partnership between the specific and the general is suggested as offering a psychological advantage. For example, *an order of ten thousand cases* as a specific item would be combined with *should attract a substantial discount* which is vague and still open to negotiation in detail. Or another example, this time the other way around, general-specific: *Some of the freight charges will be carried by you.* These ideas sound plausible, but it doesn't appear that the



correlation between suggested strong and weak language forms and negotiation payoffs has yet been systematically studied. One also feels that in the heat and complication of real-life multi-factorial bargaining, such language use would have to be virtually instinctive, rather than the product of a logical intention. Perhaps unconscious control of such fine nuances of form and vocabulary is one of the attributes of so-called 'born negotiators.'

#### 2. 5. 4. Inference, implication and explicitness

Most examples in this chapter indicate negotiators' and researchers' conviction that where directness is not needed to emphasize commitment, the pragmatic goals of negotiation are most often dependent on the ability to get a message across indirectly. Negotiators write about the need to screen valuable information, and make adjustments and concessions without loss of face. Disagreement needs to be expressed without intolerable threat to the hearer, and the entire interaction must be managed without the adoption of irreversible positions. The words 'hint', 'innuendo', 'hedging', 'double-talk', crop up throughout the literature. Kniveton (1978: 78) feels that if the opposition are 'well informed', which presumably incorporates both wit and experience, an implicit conclusion to a line of persuasion is more productive than an explicit one because it flatters the hearer's intelligence and makes the speaker look less like an arm-twister.

But there is the problem that messages may mean many things, and hearers, burdened by assumptions and prejudices, have the responsibility of decoding. According to Gulliver, even a small word like *NO* can mean *Yes*, or *Yes, but...*, or *I don't know.*, depending on the cultural environment and circumstances of the speech event. Utterances that encode signals "...because they use the connotative meanings of words and actions, ...whether clear or ambiguous, are often not very precise, but indicating only the direction a concession can take." (Pruitt 1981: 97.) In fact even when negotiators are trying to be explicit, the message may get jumbled; for example if they are unclear about their



own motives, they will give an unclear picture when describing them. For that reason there are felt to be instances where explicitness is helpful -- e.g. where both sides are good at processing large amounts of information, and the level of trust is high (Pruitt 1981: 171-2) or where an on-record expression of feelings will be persuasive (Fisher and Ury 1981: 31). But while such clear statements about principle and values can help in some cases, they can hinder in others:

For example, when the parties differ markedly in basic values, explicit statement about motives may lead to a sense of shock and outrage, reducing the motivation to coordinate interests... Such statements can also reveal hostility, where it exists, likewise poisoning the atmosphere, (Pruitt 1981: 172)

Even as regards factual content, over-explicit utterances may be mistrusted by the hearers who fear they are being manipulated or tricked with a 'plant'. Finally, there are cultures where over-explicitness is reported to be a source of anxiety; Kennedy gives the example of Japanese negotiators to whom over-specificity in a contract may be a sign of distrust and lack of respect. They would rather "...nudge you towards what they want rather than go at you with a direct proposition, particularly if it contradicts something for which you have expressed a preference or where it could indicate that they have not been paying attention." (Kennedy 1985: 64 and 34)

The chief advantages, then, of indirectness are to blur information until it is safe for it to be clear, and to soften the impact of face-threatening communications as much as possible. To ensure this, negotiators are advised to summon up all the resources of language to encode qualification, conditionality, and modality.

## 2. 5. 5.      **Signalling**

Part of the skill of negotiating lies in recognising progress from one stage to another. All writers claim that there are subtle hints of forward movement; Morley and Stephenson talk about 'tacit communication', but the most popular term is 'signalling'. In early stages, extreme obliqueness is described as characteristic of the moment when the strong

partisan language of the early presentation stage yields to trading, when the only marks of this delicate transition -- for neither side wants to lose influence by making the first concession -- may be small syntactic alterations to previous statements of principles and entry-point demands, showing that these have been amended to allow an opening for eventual concessions. For example, *We would certainly never consider increasing the discount on orders under 100 cases* is seen as a signal that on orders over 100 cases, there is room to trade. At times the signal is contained in a word or phrase that changes a former direct emphatic statement into an indirect conditional one. Picking up these crucial changes depends on skill at intensive listening.

One sign of difference between early and later negotiating stages is thought to be the balance of specificity in utterances. Kennedy et al (1987: 81; 86; 117) feel that in the first stage the commitment of the speaker is stated firmly and specifically (*we must have...X...*). Then when the first real proposals are made, either the commitment may remain specific, but the propositional content becomes more vague (*We must have something like X*), or vice versa (*suppose we were to consider X*). This tentative language is not considered a sign of weakness (as it would be in the first stage) but a sign of prudence and caution suitable to the new stage, which by the final agreement stage will once again diminish to *We will agree to Y*.

In later stages, signals can apparently be fairly obvious: a summary of proposals so far is frequently cited as an example of a signal that negotiators are ready to move on from general proposing to package building, or from that to an agreement-structuring phase (Kennedy et al 1987: 95 and 131). The general and conditional options developed in this way must in turn be settled into specific statements when agreement is finally reached. We have already looked at recommendations that this should be a process of refinement from vague to more concrete. As far as a final product is concerned, Kennedy (1985: 33-35) warns against insufficient specificity in contracts agreed with cultural groups who are

more inclined to act on the letter, not the spirit of an agreement. Misunderstandings can only be ruled out by checking, at the agreement stage, on 'understood meanings' of key lexis like 'reasonable' (as in *give reasonable notice of delivery times*) and where necessary agreeing on a definition of them.

#### 2. 5. 6. Indirectness and high-conflict negotiation

In the same way, in preparing the sort of Single Negotiating Text (SNT) used in, for example, the Camp David Talks, negotiators or mediators are advised to start with simple, diffuse phrases, easy to say yes or no to, which identify issues but do not try for more than a general realism on any. The opposing parties will then be asked not to make concessions, but to criticise the wording of the document; in doing so it can be refined and made more specific in the light of emerging interests. (Raiffa 1982: 211; Fisher and Ury 1981: 118 ff.) The ultimate aim is specificity, but along the way ambiguity is often felt to be most helpful: Nierenberg (1968: 9) quotes an old saying to the effect that "The wheels of diplomacy often turn on the grease of ambiguity." Ambiguous signals can give negotiators some privacy from their constituents, and can reduce the bindingness of commitment, because it is not so clear that something has been threatened or promised.

### 2. 6. DISCOURSE CONTROL

#### 2. 6. 1. Careful listening for signals

Signals can be encoded in various discourse features: meaningful intonation, choice of direct or indirect language, the rephrasing of information, or the substance of arguments. Writers recommend a general policy of conscious careful listening, to enable negotiators to pick up whatever sort of signal they are offered. Particularly close attention would be needed to pick up the sort of subtle signals discussed in Section 2.5.5. above which can indicate readiness to move to a new phase, or can be a face-saving invitation out of the argument loop. Since such

signals are said to be almost invariably encoded in grammatical or lexical qualification-markers altering the force of the on-record statement, and since negotiators in the coils of an argument loop become absorbed in processing and reacting to cognitive content of attack-blame messages only acute listening will enable them to spot a subtle signalling qualification and interpret it correctly. (*We can discuss that point* = it's negotiable; *We are not prepared to discuss that at this stage* = it's negotiable tomorrow; *We would find it extremely difficult to meet that deadline* = not impossible.) For sending signals

...no new behaviour has to be learned because most of us already practice signal behaviour in our daily lives. ...once we recognise what we are doing *naturally* it only takes a little practice to do it *intentionally*.

(Kennedy et al 1987: 69; authors' emphasis)

But writers seem to imply that more practice is required to maintain the close attention that picks up such subtleties. Moreover (Kennedy 1985: 64 and 70) particular care is needed in listening for, and giving, signals when negotiating cross-culturally.

## 2. 6. 2. Changes in discourse pattern

Closely related to signalling, transitions from stage to stage of negotiation are also said to be marked by changed discourse patterns. Writers support Douglas (1957) in finding opening stages characterised by lengthy utterances. Early speeches, the responsibility of the chief spokesperson, may seem almost rehearsed, and in industrial relations negotiations may be consciously stage managed with an eye on the wider constituency audience listening in (Kennedy et al 1987: 150-9). Writers mention highly partisan content, heightened by smooth, rhythmic delivery, rhetorical flourishes, and obvious signs of emotion. They assert that these early-stage displays of emotion, possibly accompanied where culturally appropriate by profanity or otherwise taboo language, serve two functions: first, to influence the other side's view of one's power, determination, toughness and so forth, and second, to release the tensions and anxieties caused by the uncertainties and lack of hard information at the outset. Later on, when there is more information to

work on and a growing degree of predictability, this nervous energy is thought to be more conventionally employed in cognitive processing and in engineering a more dialogic discourse, with shorter utterances ("You can tell when he is about to say 'yes' -- his speeches are shorter." - Kennedy et al 1987: 31.) And towards the other end of the negotiation event, a summary is considered a reliable signal of a party's readiness to move from bargaining to agreement, forming as it does the basis for drafting the agreement itself.

Regardless of the stage, Fisher and Ury (1981: 33) postulate three main causes for the kind of communication failure which results in the interaction not moving on, but rather stalling or looping back to an earlier stage: (1) the parties may give up really addressing one another in favour of talking to impress their constituents; (2) even when being addressed, they may give up listening in favour of planning what they are going to say when it is their turn ("Two monologues, not a dialogue, take place in the same room" -- Kennedy et al 1987: 55); (3) they may stay in dialogue, but misunderstand and misinterpret what the others say, and thus feel too threatened to move forward. Counterproductive repetition and floor-hogging are thought to be characteristic of argument loops. Kniveton and Towers (1978: 91) remind practitioners that a good presentation may be ruined by not knowing when to stop reiterating points, since apart from sounding over-anxious, repeated arguments block progress: if the other side is ready to propose or agree, they don't get a chance to step in and do so.

### 2. 6. 3. Pauses, interruptions and the flow of information

So far all the discourse strategies mentioned have referred to the content and form of utterances, but writers are conscious also of the impact that discourse control has on information gathering. In this respect two phenomena, both closely related to turn taking although not discussed by the writers in those terms, are seen to be particularly germane. The first of these is pause length, or what the writers describe as *silence*. There is a universal conviction that in trying to

avoid the discomfort of silence, negotiators fall into many different traps. For example, Kennedy et al (1987: 48) criticise the prevalent but self-defeating technique for stalling while thinking, which is to chatter on with

...cliches, platitudes, waffle, and technical bull designed to fill the silence with words while the brain decides what to do next. A more effective technique is to summarize where the negotiations have got to and then *shut up* and think, [authors' emphasis]

Very practical reasons are advanced for practitioners learning to live with the undoubted anxiety aroused by a pause longer than their culture finds polite, and for turning silence into tactical advantage. Perhaps the uncomfortable pause follows one's own turn: in that case

The more you talk the more you reveal. Keeping quiet after your proposal puts pressure on both sides. If you interrupt your own silence, almost inevitably you will offer some additional concessions. Instead, keep quiet and let the pressure of the silence press on your opponent.  
(Kennedy et al 1987: 92)

For the same reason, Fisher and Ury (1981: 117) promote silence as a response to a less-than-honest answer to one's own honest question, or to an unreasonable proposal. In either case, they suggest, the unhappy vacuum will reinforce the other party's doubts about their own position. This is borne out by the evidence of Conversational Analysts (Davidson 1984) that pause is interpreted as a sign of dispreferred response, thus prompting a repair of the proposal, which in negotiating terms might be a further revelation or concession.

Only the social anthropologist Gulliver seems aware that both the acceptable length of pause in discourse, and indeed the meaning conveyed by silence itself, is culturally determined. He points out (1979: 109) that just as much as an utterance, "...silence -- a refusal or inability to respond directly -- carries its own message of antagonism, uncertainty, or imperturbability," and that the message sent varies according to context and to cultural norms: among the Arusha in Africa silence means agreement with the last point made, which would otherwise have to be discussed. In other cultures,



...silence can mean refusal of a message, expression of frustration or of mistrust, acceptance of inferiority, and so on, (Gulliver 1979: 86)

Dealing with such meaningful silences could pose an extra problem for negotiators who, in order cooperatively to serve the dictates of one of the context features of the negotiation speech event, i.e. the mutual dependence of the parties, "...feel obliged to say something, anything, to get the negotiations rolling..." (Raiffa 1982: 78.)

Linguistic studies (Gumperz and Tannen 1979; Tannen 1984a; Tannen 1985) bear out these intuitions, demonstrating quite convincingly the culture-specificity of discourse patterns, and highlighting not only the impact that unfamiliar rhythms of pause/silence/turn can have on interaction, but also the danger of reading unwarranted significance into an interlocutor's performance in a cross-cultural communication.

This caveat applies as well to another discourse phenomenon, interruption, which negotiation writers see as a pitfall inherent in conflictual discourse. Douglas noted that early stage speeches were not often interrupted, or would-be interruptions were ignored, and in fact writers specifically warn against interrupting in early stages, particularly with a denial or rebuttal. This reticence is usually recommended on the grounds of not breaking up the flow of important information, and as a valid way to promote a feeling of security, of being heard out, in the speaker. Conflict makes negotiators too prone to jump in with their own version before the others have a chance to say what they were going to, a practice universally condemned. "Thus we deprive ourselves of valuable information." (Nierenberg 1968: 72) Better to endure an inaccurate tirade against one's own side, which would at least offer a chance to learn something about the other side's priorities, or even -- from what they don't mention -- about their inhibitions.

One or two writers, perhaps more aware than others of the mechanics of conversation, (e g Kniveton and Towers 1978: 92) acknowledge that



interruption may be a necessary evil at times, either to get the floor or to stifle an indiscreet member of one's own side, but they prefer non-verbal signs (gestures, eye contact, posture, standing) for turn-getting/keeping, rather than aggressive interruption. In general, writers warn that even those instances of interruption which might appear positive -- to accept a proposal, for example -- may be damaging; they cite occasions when, lulled into indiscretion by the sound of their own voices, proposers have tacked on an extra concession at the end of a proposal which a premature interruption would have cut off. But the greatest danger is thought to be the fact that "Interruption always antagonizes..." (Kennedy et al 1987: 92.) Even in cultures where it is permissible -- and there are many where this is sensitive -- interruption is equivalent to saying Shut Up, ("Don't speak while I'm interrupting !" -- Kennedy et al 1987: 54.) Writers counsel that the perceived lack of respect stimulates an aggressive reaction, and starts up the attack/blame cycle or argument loop which is almost always a result of faulty interpersonal relations.

#### 2. 6. 4. Listening for feelings

In relation to information, the role phonology plays in the processing and interpretation of language (see Fillmore 1985a and 1985b) seems to be apparent to most writers, who point out how pitch and intonation, together with non-verbal and paralinguistic communication features, can reveal the emotions of the participants. Defensive self-justifications delivered in an aggressive tone of voice are seen as revealing emotions (fear for self, fear of being persuaded) which expose a vulnerable spot in a bargainer's argument or personality, and Kniveton and Towers (1978: 85) advise readers to listen carefully for signs of this, as well as (: 54) guarding against using tones of voice which betray one's own surprise or lack of interest. But since many writers suggest accompanying a crucial commitment with an emotional demonstration (a reverse of the dead-pan face) interpreting signs of affect may be problematic:

How do you know whether this [commitment] is true -- by the way your opponent says it, how heated or sincere he sounded, etc. ? That of course is one way. It is also thoroughly unreliable,

(Kennedy et al 1987: 33)

With this in mind, Fisher and Ury suggest (1981: 55) that in low-conflict bargaining, it is probably best to reserve the aggressive tone of voice for describing the problem, not for announcing one's own position.

Aggressive talk, and emotional argument designed to rouse fear, shame, etc. are in any case no longer effective when they become intense enough to paralyse the other party's attention with despair or fury.

This last fact is what most researchers see as the weakness of threat as a form of commitment: caving in to a threat may entail a degree of loss-of-face that is worse than the threatened punishment itself (Bacharach and Lawler 1981 :38), a fact mentioned in connection with indirectness and politeness strategies by Brown and Levinson (1987: 83.)

#### 2. 6. 5. Active Listening

To check the information received, and even the emphasis that the speaker wants placed on it, most writers recommend -- indeed, advise actual training in -- 'active listening' or 'role reversal', involving "...the ability and willingness of each participant to state the position of the opponent to the opponent's satisfaction." (Rapoport 1964) In practice this entails (Nierenberg 1968: 99) "...listening carefully to the words uttered by the opponent, his phrasing, his choice of expressions, his mannerisms of speech, his tone of voice." Fisher and Ury (1981: 35-6) remind practitioners (1) to take in the others' perceptions, needs and constraints, (2) to ask for confirmation of anything that is not clear, (3) not to use listening time to plan a response. As for the feedback, they follow Pruitt (1981: 206) in warning against evaluative remarks or even clues in the feed-back utterance.

"Phrase [others' argument] positively from their point of view, making the strength of their case clear...One can at the same time understand perfectly and disagree completely with what the other side is saying."

(Fisher and Ury 1981 :36; authors' emphasis.)

Morley and Stephenson (1977: 113) cite well-known negotiators as claiming that in this respect active listening is not just a public relations exercise (*see how nice and understanding I am*) but actually has an impact on the understanding of the active listener, and on the trust of the speaker. "*Asking open questions unlocks doors -- listening to answers opens them.*" (Kennedy et al 1987: 61)

## 2. 7. UTTERANCE STRUCTURE: INTERROGATIVES

Throughout the negotiating literature the formal structure of questions, perhaps calling attention to itself by being more grammatically marked, gets more mentions from the writers than the structure of statements. Writers do not appear consciously aware of the separateness of interrogative language forms and actual pragmatic acts of interrogation (Schegloff 1984), but their examples show at least an instinctive appreciation of the fact that not all interrogation is cast in question form, and that not all instances of question form in syntax are real requests for information, (or at least not the information overtly being asked for).

By the judicious use of questions you can easily secure immediate attention, maintain interest in the item under discussion, and direct the course that you want the conversation to take. Very often, by questions, the opposition can be led toward the conclusion you desire. (Nierenberg 1968: 94)

In the sections above we have seen several specific instances where writers place faith in the tactical value of interrogative utterances, provided a negotiator knows what questions to ask, how to phrase them, and when to ask them. Most writers indicate that clarification questions (Gulliver 1979: 109-110) or a sequence of questions followed by auxiliary questions (Kennedy et al 1987: 57-8) enable negotiators to explore information gained, and eventually build up a bank of options ("*What would you feel about...*") Questions are also the essence of 'bracketing', that is zeroing in closer and closer towards discovery of the others' preferences by trying out their response to alternative

proposals (*Which would you prefer, X or Y ? Okay, if it's X, would you prefer X1 or X2 ?*)

### 2. 7. 1. The psychology of question use

Fisher and Ury see quite distinct psychological overtones to choosing positive or negative forms of question: they reason that WHY questions identify interests (*"Why do you set three years as a limit on the lease ?"*) and WHY NOT questions show up inhibitions against proposals (*"Why don't you feel happy with a 7 % discount ?"*) Also in the realm of subtle psychological focus, Kennedy et al (1987: 222) see WHY questions as relating to past events, feelings, etc. and recommends that in situations where the others do not trust you, it is better not to ask why, but instead to ask how that mistrust can be remedied: HOW questions relate to future possibilities.

Fisher and Ury (1981: 116) see a special role for questions in breaking an argument loop, either by directly confronting the attack-defend cycle (*"What is it about this that you can't agree to ? What concerns of yours does this proposition fail to take into account ?"*) or more indirectly by asking for advice (*"If you were me, what would you do ? What can we both do to solve this problem ?"*) Where negotiators are confronted with highly unacceptable propositions, Kennedy et al (1987: 61) advise that the best way to avoid causing an impasse with a NO is to keep interaction moving with open questions, qualification, and conditionality as in the following: *"If we were to consider that, what would you be offering ? Let us say that we agreed with that proposal, what would you... Is there any other information that you feel I should have at this time ? Why is that important to you ?"*

Writers postulate that particular question formats have different implications, impact, and threat potential. Some can be used to start principled argumentation (*"Let's figure out what a fair price would be. What objective standards might be most relevant ?"* -- Fisher and Ury 1981: 91-2) or in more aggressive encounters to back the opposition into

a self-constructed corner (*"Do you agree that a stoppage of work took place ? Do you agree that this is a breach of procedure ? Then why do you persist in defending unconstitutional stoppages ?"* -- Kennedy et al 1987: 196-7) This is felt to be about the productive limit of questioning, and there are strong warnings against framing forcing questions (*"What is your excuse ?"*), 'boomerang' questions (*"Why don't you want to improve your reputation ?"*) or blatantly provocative questions (*"How do you justify that outrageous joke of a demand...?"* -- Kennedy et al 1987: 57) Even when not deliberately antagonistic, questions are viewed as a potential danger to face. They can touch on some previously hidden emotional chord, for example, and Nierenberg (1968: 94) suggests that in tense situation, "...it is good practice to explain the reason for asking a question wherever this is feasible. It avoids trouble and embarrassment."

## 2. 7. 2. Yes/no -vs- open questions

The distinction between open questions and yes/no questions is felt by many writers to be a tactically crucial one, in that open questions of their nature elicit information from the other side without assigning a limit or a direction to their communication. The difference can be illustrated by contrasting possible answers to the two following questions:

(1) *Can you give us a 17 % discount ?*

(2) *What is your discount policy ?*

A 'yes' answer to the first question will not reveal whether twenty percent might have been possible if it had been asked for. If the answer is 'no', it doesn't reveal why, or what contingent issues might have made the answer different. However even open questions differ as to what they can elicit. Nierenberg (1968: 93ff) categorises open questions into 5 types, according to how much control the questioner has over the content of the answer. In the most general (*What do you think ?*) there is virtually no control, whereas in fact-finding WH-questions the answer is more or less controlled, the extent depending on the precise utterance structure: *Who can fix this ?* is more limiting

than *What are our options here ?* His inclusion of leading questions (*Isn't it true that...*) in the catalogue of open questions would probably not satisfy a linguist.

### 2. 7. 3. Socio-pragmatics of questions

A few writers also address the special problems cross-cultural negotiators may have with questions, since in many cultures direct questioning whatever the form is considered unmannerly and face threatening. It is pointed out that seemingly innocent confirmation questions like *Have you understood ?* present the hearer with a dilemma of not wanting to appear stupid, and also of not wanting to imply that the questioner has not been a very good communicator. Questions which might elicit a 'no' answer are regarded as posing problems for respondents in whose culture 'no' signifies an unwillingness to be cooperative. In this case Kennedy (1985: 63-4) predicts that the likely result is a very indirect answer in which *No; unacceptable* is replaced by *Yes; acceptable, but could be better if [this] and [that] were changed*, the number of *thises* and *thats* revealing the degree of unacceptability.

### 2. 8. SUMMARY

Although explicit references to language are scarce in the many books and articles written by negotiating practitioners, the comments they do make, despite lacking research systematicity, have value as a demonstration of what real-life bargainers understand their craft to be. Three things seem clear from their comments about either effective or typical bargaining language. First, meaning depends on the participants' knowledge, or assumptions, about one another, about the speech event of negotiating in general, and about the salient features of the particular negotiation event being enacted. Second, the interpretation of negotiating language involves simultaneous and mutually-dependent interpretation of the what stage the negotiation process has reached, of the relevant information, and of the way the parties are reacting to one another. Third, in this task of interpretation various language features



are seen to play a part, from micro-structures like choice of word or word order through to macro-strategies of pause length, turn-taking procedures, and topic choice.

It could be argued that if language is the chief tool of negotiation, then these suggestions are very important for ensuring effective bargaining. But so far their efficacy does not appear to have been tested by systematic observation. To confirm their validity it is necessary to establish first that the language features described are actually present in naturally occurring negotiation discourse, and second that certain features do in fact seem to co-occur with certain outcomes. The admonitions and comments reported on in this chapter suggest that communicative needs which govern general interaction are heightened and even distorted in negotiation, due to the conflictual nature of the context, and to the presence of material goals for the interactants. These needs may be divided into

**Defensive needs (PROTECTION)**

- screening
- hedging (one's own commitments)

**Offensive needs (POWER)**

- information
- influence
- concession (others' commitments)

The very diversity of suggestions for filling these needs reflects not only the role that language plays in successful negotiation, but the problems it can cause for information processing and interpersonal relations. Defensive and offensive needs will be reference points in placing negotiation discourse in the context of linguistic theories which have a bearing on negotiation research.



## CHAPTER THREE: Pragmatic Goals and Negotiating Language

For it does seem that beyond the tidy and well-pruned bonsai trees of syntax lies  
the jungle...

Michael Stubbs, *Discourse Analysis* 1983

### 3. 1. LOOKING INTO LANGUAGE: SYSTEMS AND GOALS

In the Introduction I suggested that an analysis of topic control in negotiating discourse can contribute to research into negotiation, as well as to the exploration of what constitutes general language and EIL proficiency. The model of negotiation reviewed in Chapter One establishes a context for such analysis, fleshed out in Chapter Two with a report of what professional negotiators say about the language they use. These writers, who on the whole took language for granted as an unconscious tool of their trade, dealt with discourse strategies as a set of tactics designed to achieve their negotiating aims. Linguists would describe the same behaviour in terms of interrelated linguistic systems, of communicative, rather than tactical, skills. This present chapter will relate the model of negotiating behaviour and the unsystematic comments about language of lay writers to current linguistic models of how language systems work. Against that theoretical background, it is the work of applied linguists to investigate connections between language performance skill ('behaviour') and achieving practical bargaining aims. I would argue that as regards this long-established research objective, applied linguistics is as well-placed to provide valid insights as economics or social psychology.

#### 3. 1. 1. Language systems

It is not surprising that as non-linguists the negotiators pick out the formal systems of language as 'language', while frequently seeing the functional (both discourse and pragmatic) systems as something else. Linguists themselves have often preferred to focus more on the formal

systems, perhaps because of respected notions of what is manageable within the paradigm of scientific enquiry. But much in the same way that negotiation research found that early archetypes -- statistically plausible in themselves -- did not allow for the complicated facts of real-life negotiation, so linguists more and more recognise that explanations which don't take into account the real-life social goals of language use are inadequate explanations in some way -- certainly partial, and arguably inaccurate. Leech catalogues the forces (sociolinguistics, psycholinguistics, artificial intelligence, text linguistics, discourse analysis, conversational analysis, etc.) which, although not yet well coordinated with one another, are undermining Chomsky's 'walled city' of context-and-use-free linguistics.

Cumulatively these approaches, and others, have led to a remarkable shift of direction within linguistics away from 'competence' and towards 'performance',  
(Leech 1983: 4)

He stipulates that rather than *langue* and *parole*, or *competence* and *performance*, which have come to be understood as abstract terms, 'excluding the data of language use', his chosen terminology -- which will be adopted for this thesis -- is *grammar* for the formal language system, and *pragmatics* for the study of meaning in relation to speech situations.

Within Leech's *grammar* and *pragmatics*, several concepts are involved: *meaning*, *context*, *appropriacy*, *speech acts*, *proficiency*, and *assumptions* or *presuppositions*. The close relationship, even mutual dependency, of these concepts makes them difficult to write about coherently. It will be necessary to introduce some topics briefly and then to return to a fuller discussion of them later in the chapter. The view taken is that effective communication depends on the ability to interpret meaning in context, in this case in the rather special context of conflict resolution, and that discourse analysis can show how speakers encode, clarify and interpret meaning.

### 3. 1. 2. Discourse analysis

"Discourse analysis" is an elastic term. Kreckel (1981) identifies five orientations, differentiated both as to their targets and their research methods: linguistic, sociological, anthropological, psychological and interdisciplinary (especially educational). Even within those categories there seem to be many sub-interests, and distinctions are often blurred. However there seem to be two principal traditions into which most orientations fit, identified by Gumperz (1982a: 154ff) as (1) "discourse analysis" and (2) "the ethnography of communication", identified here with conversational analysis. The philosophical and methodological distinctions Gumperz draws are reflected in definitions of the two approaches. The Longman Dictionary of Applied Linguistics defines Discourse Analysis as

the study of how sentences in spoken and written language form larger meaningful units such as paragraphs, conversations, interviews etc  
(Richards, Platt and Weber 1985: 84)

By contrast, Conversational Analysis is defined as

the analysis of natural conversation in order to discover what the linguistic characteristics of conversation are and how conversation is used in ordinary life, (Richards et al 1985: 64)

A slightly broader description given by Heritage and Atkinson (1984: 1) indicates that such analysis can take in speech events that extend beyond spontaneous conversation to any "intelligible, socially organised interaction".

Different research methodologies grow out of the different research goals. This raises obvious questions as to (1) the efficacy of different research methods, (2) their suitability to different research tasks, and (3) their compatibility. Discourse Analysis, in focusing on the systems and units of speech, suggests ways in which language description can be made manageable and still work towards theoretical explanations of both the transactional and interactional (Brown and Yule 1983) functions of language. Although Levinson (1983: 319) sees advantages in the more

restricted descriptive discipline of the Conversational Analysts, whose methods " ...offer us a way of avoiding the indefinitely extendable and unverifiable categorization and speculation about actors' intents so typical of DA-style analysis", for this thesis the right attitude to adopt towards discourse analysis seems to be an assumption that both Discourse Analysis (DA) and Conversational Analysis (CA) produce insights, and have the potential to inform one another. Hereafter the term "discourse analysis" (lower case) will be used in this thesis in a general, broad sense to cover both DA and CA unless one or the other approach is specified.

Discourse analysis can be seen as a matter of three steps. First, it is necessary to demonstrate the existence of patterns within the discourse, which entails not only the practical activity of observation, but also the more theoretical activity of determining what constitutes a pattern. So in relation to negotiation discourse, step one of the discourse analysis process can support or refute impressionistic claims about what discourse features are actually used by negotiators. Once patterns are (provisionally) identified, step two is to relate them to linguistic systems, for which this chapter supplies the theoretical framework. This enables step three, which is to establish, or at least speculate as to how, particular patterns function within the interaction that supplies the data. These questions eventually could enable us to determine whether or not the lay writers are right in their judgements about the tactical impact of certain language features and language pragmatics.

### 3. 1. 3.      **Negotiators' language: performance skills needed**

Leech (1983) sees language systems as comprising grammar (including phonology and syntax), semantics and pragmatics. With respect to these various levels of system, negotiators need to be able to decode meaningful sounds, to judge what pragmatic functions the syntactic forms reveal and conceal, and to orient themselves in the macro-structures of communication by following signals which may be syntactic (e.g. topic-comment order) discourse marking (e.g. *I just want to make two points...*),

prosodic (e.g. pitch; stress,) paralinguistic (e.g. pause length, silence) or non-verbal (e.g. eye contact; posture.) Using these signals as clues, they need to take turns at speech appropriately. In the discourse they construct sequences of utterances yield a collection of information which they need to be able to interpret as purposive speech acts, chained together into the macro-act sequences that give clues to the opposition's material goals, their tactics, and their state of mind.

So far, we are in the realm of average native-speaker language processing, i.e. within the demands made on communicative competence when the interlocutors share a common 'frame' (Tannen 1975) of negotiation. But negotiators must also be able to relate their discourse to domain, by estimating the appropriacy of the various speech-act exponents to the concrete goals in a particular negotiation event. For example, an unconscious attitude to time (*be brief*) may clash with a strategic need for patience, dictated by the other party's presupposition as to the correct negotiating tempo, or by their inhibitions over loss of face if concessions are made too readily. This may dictate different patterns of length of utterance, interruption, silence and so forth than would be considered appropriate in an own-culture setting.

### 3. 2. COOPERATION IN NEGOTIATION LANGUAGE

The need to negotiate something stimulates the discourse we wish to analyse. But once talk begins, what then? Leech (1983 :17) describes cooperation and politeness as 'largely regulative factors which ensure that, once conversation is under way, it will not follow a fruitless or disruptive path.' The principles of cooperation in general conversation have been debated extensively, but in practice it must be the case that in a speech context where the goal is conflict resolution, certain constraints (the need for self-protection, and the need to increase power) will put a particular shape on 'cooperation' and 'politeness'. Two influential theoretical models come to mind in connection with these

concepts, i.e. Grice's principle of Cooperation, and Brown and Levinson's catalogue of politeness strategies. Let us look at these.

### 3. 2. 1. The Co-Operative Principle

Grice's original enunciation of the Co-operative Principle (CP) (Grice 1975) was as a neutral theoretical model, apparently no more a description of real conversational strategies than Chomsky's 'ideal speaker-hearer' is a description of a real language user. Moreover Grice took care to leave room in the theory for the more or less institutionalized ways in which in real life the maxims are overridden by more pressing needs than perfect clarity: covering up a social gaffe by changing the subject abruptly, for example. He even illustrated how users could flout maxims by irony or ambiguity, creating implied, rather than overt, meaning; this concept of implication and indirectness has been developed further by Grice (1981) and particularly by Leech (1983) whose ideas have influenced the following discussion in many ways.

Grice's objective, then, is to conceptualize a 'default setting' against which to measure actual communicative acts designed to fulfil the complicated mixed motives of real-life communicators. This is analogous to, let us say, an abstract concept of *perfect sphere*: probably no real object is a 'perfect' sphere, but having the concept enables us to perceive and perhaps describe the difference in shape between an apple and an orange. In the case of the CP, the default cooperativeness entails an utterance with 'perfect' on-record

- directness
- truth
- economy

Most utterances in real discourse will deviate from that default setting: they will have degrees of indirectness, degrees of untruth, and degrees of over- or under-informativeness, all of which are encoded because the speaker judges that to be the form in which the utterance will best serve its pragmatic goal. But it is assumed that from the default setting there will be no deliberate deviation without justification.



In the quote that heads the previous chapter Ann Douglas, whose opinion about the nature of negotiation language was formed after looking methodically at real-life trades-union collective bargaining, uses the term 'unnatural.' In what way is negotiation language unnatural? Apart from the two voices, personal and official or organisational, which must be listened for, there are complicated communicational objectives related to the three elements of the process that negotiators have to control. First, in **controlling pace**, utterances reflect the twin imperatives of being cooperative, yet not being forced to move faster than is prudent. Second, **controlling information** involves both information gathering and screening. Too little revelation means stalemate, too much means loss of power, and striking a delicate balance demands measured disclosure, adroit signalling, and bluffing. It involves careful listening, since negotiation contains much more transactional language than most conversation. Finally, **controlling the attitudes** (one's own and the other party's) means building a sufficient level of predictability (i.e. trust) despite competition or conflict. In this connection, and related to the point made in Section 1.6.1. of Chapter One, studies (reported in Rubin and Brown 1975: Ch. 9) indicate that the farther negotiators can get from their representational role, and the closer to their personal voice, the more influential their behaviours are, and the better the outcomes are likely to be.

Bearing that in mind, negotiation interaction could be said to strain the co-operative principle to the limit at times. How compatible are Grice's four Maxims with the shrewd strategies and tactics suggested for effective conflict resolution?

### 3. 2. 2. The Maxims

#### 3. 2. 2. 1. *QUANTITY: Give the right amount of information, i.e.*

- I. *Make your contribution as informative as is required (for the current purposes of the exchange)*

This seems particularly pertinent to the negotiator's information

gathering task. If in negotiating for (let us say) hydraulic lift components, a buyer (B) says *We might be interested in 5000 of X and 3500 of Y* this may in fact reveal little about B's true interests, but merely be the start of a fishing strategy to see what discounts the seller (S) offers as a general rule. But providing both B and S share the same presuppositions about the nature of the negotiation context, i.e. that in fulfilment of the 'current purpose' of the early stages each party is allowed to manoeuvre for the others' information while being less than 100 % candid themselves, this maxim would seem to emerge relatively intact even as written, since 'as is required...' seems to give blessing to any degree of indirectness from contradictions, exaggerations and ambiguities, through hints and hedging, to mere vagueness.

It is significant in this regard that the tactic of pinning each concession to a qualification is so universally recommended by negotiators as a help in achieving optimum outcomes. *We might be interested in 5000 of X if...* gives only the tiniest window of information; even if the assertions of interest and of quantity are true, and the modality of 'might' makes this no more than probable at best, nothing is revealed about Buyer's real wants or intentions except (also only probable -- bluffing may be an added complication here) a positive attitude to the condition introduced by the 'if'. An even narrower spy-hole would result if Buyer followed a negotiation trainer's advice and phrased the fishing as *What would your policy be about supplying 5000 of X if...*

Syntax is important in package-building in other ways apart from encoding conditionality. In the previous chapter we saw the emphasis trainers placed on paying close attention to the minute details of phrasing at certain stages of negotiation, particularly when a turning point might be expected after a crisis or impasse. At these times negotiators are listening for any change in the level of informativeness (new topic ? deliberate reiteration of previously-made point ? dropping an item from a list ?) which might serve as clues about

agendas or priorities. In this regard increased indirectness also carries a signal (*must have* moving to *probably would want*) that there is a change in a previously announced position. We have already said above that it is the ability to pick out the information, implicit as well as explicit, in utterances that gives negotiators the evidence they need to assess the other party's strategies and tactics, and adjust their own expectations and plans to suit, leading in turn to forward progress from stage to stage.

II. *Do not make your contribution more informative than is required.*

At first glance this seems to be exactly what negotiators want, an acceptance of reticence. But first of all, 'reticence' in the sense of secrecy does not seem to be what Grice actually had in mind in formulating the maxim. He says that it could be argued that "...to be overinformative is not a transgression of the CP but merely a waste of time" (1975: 46.) His maxim, then, relates more to the quantity of speech rather than to the frankness of its content, and he is really saying 'Don't tell others what they already know.' In fact, he points out that the danger lies in causing confusion by raising side issues.

Yet this, of course, is one of the benefits of over-informativeness to negotiators: mentions of known-to-both items (*your deliveries this year have all been satisfactory*) can serve as signals or as opportunities to keep reactions coming without danger to self. Plenty of side issues give little hints, elicit informational clues, and provide opportunities to observe the opposition. In negotiation, then, cooperation seems to entail accepting a lack of direct informativeness, but at the same time having a high tolerance for an unusual volume of incomplete, indirect, redundant and sometimes misleading (as we will see below) information.

If there is a departure from the expected pattern, the writers on negotiation suggest it tends to be interpreted as a sign of some hidden agenda. An over-long utterance may sound like a screen. A topic

unexpectedly raised or revived may be a deliberate red herring. Repetition of already-made justifications may mean the others are trying to distract from a more sensitive topic or interpretation of their facts. A sudden increase in paralinguistic noises -- coughs, throat-clearing -- or back-channel behaviours -- nods, noises of agreement -- or conversational fillers -- *uh-h-h* and *you know* -- may signal a hesitation to say what is really in the speaker's mind (covering up) or a need to process and produce at the same time (stalling; thinking on one's feet.)

There is a complication here for cross-cultural negotiators, in that as Leech points out (1983 :10) different societies have different ideas about what constitutes directness or informativeness in an utterance. It is frequently said that in low-context cultures like North America more is made explicit than in high-context cultures like Japan (Hofstede 1984) where over-explicitness signals a low opinion of the other's intelligence. The real problem for negotiators lies, as we saw in Chapters One and Two, in keeping track of the negotiating sequence (lie of the land) and the macro-acts (woods) when crowded round by individual speech-acts (trees). If one party can keep sight of the pattern while confusing the other side, it may be to their advantage. The object of the side issues, however, is certainly not to give away more information than necessary.

3. 2. 2. 2. QUALITY: Try to make your contribution one that is true: i.e.

1. *Do not say what you believe to be false*
2. *Do not say that for which you lack adequate evidence*

The literature would lead one to believe that negotiators often say, or at the very least imply, what they know to be false, or for which they lack evidence. At its most blatant this is lying, and in so-called distributive bargaining (one winner, one loser) is considered if not legitimate, at least a fact of life at times. In integrative negotiation, where more than one issue is at stake and tradeoffs are possible, or where the negotiating relationship will be an on-going one, outright lying is agreed to be counterproductive. All the same, a buyer is still

advised to pretend an interest in components she has no intention of buying, to find out other information which will enable her to make the best deal possible for her company. As long as the degree of falsehood does not exceed levels assumed to be cooperative in this context, negotiators call this 'strategic misrepresentation', an acceptable element of bluffing. It is also positively advantageous for each side to screen their exit points for as long as possible. We saw in Chapter One Section 1.5.1. that in a multi-factorial negotiation having only the exit-point information would result in no more than a straight intersection compromise, instead of the chance to build a better-for-both package in the arc north-east of the intersection. Pretending to be attached to low-priority items, or sticking for a while to inflated hopes, is one way of testing out how big this productive arc is.

The whole concept of conditionality and modality is considered by negotiation trainers to be axiomatic to self-preservation and advancement. The suggestion that the best plan is always to state the condition first and the potential concession second (*If...then*), reflects the feeling that there is more psychological power in topic followed by comment. Instinctively, the psychology of this emphasis on conditionality feels plausible, although its efficacy -- and universal appropriacy -- does not appear to have been systematically tested yet. But there might be several hidden problems for cross-cultural negotiation. First of all, there may be cultural variation in the length of time irresolution can be tolerated before one party begins to feel the situation demands some gesture of trust. Second, suspension of firm commitment depends entirely on both parties recognising the syntax of conditionality when they hear it. If one party thinks a firm commitment has been made, which the other party then apparently tries to back out of, trust will be shaken. Not all the many ways of expressing conditionality in English are clearly signalled syntactically. *Okay, over 100 cases: 17 percent* may sound to the speaker/seller like a conditional proposal, meaning 'If you order more than 100 cases, then we will give you 17 percent discount'. But to the buyer it may sound like a pushy

assumption of his (not yet given) commitment to place big orders with the seller's firm in future. Not only that, but different cultures may have different ideas about how binding even non-conditionally stated concessions are, and if one party is relying on overt signs of conditionality to show when concessions are not binding, and interprets all non-conditional ones as firmly agreed, misunderstandings may arise.

### 3. 2. 2. 3. *RELATION: Be relevant*

In negotiation speech events the need to address the bargaining objectives means a high proportion of transactional content in utterances, such that the bulk of utterances may be concentrated on a finite and predictable number of topic entities. So negotiation discourse might be said to have a particularly focused range of 'relevance'. By relevance, Grice meant that in co-operative conversation, the meaning of one utterance normally relates directly and obviously to the one that precedes it. But discourse analysis has made clear the extent to which apparently unrelated topics appear as insertion sequences between the first utterance of an adjacency pair and its complement, particularly in the sort of confirmation or clarification sequences one would expect to find in negotiation discourse.

Apart from such insertion sequences, we have already reminded ourselves under the Maxim of Quantity that it is often considered a negotiating advantage to start many little side-issues to fish out information, or to distract from one's real interests (and weaknesses). This is acknowledged by the trainers' advice to watch out for 'gifts' of information which may merely be attempts to plant ideas or distract from something else. At the same time, negotiators need tactics to control the way the parties see or feel about one another, to build up influence and what we have called predictability. On both these grounds, it is hard to tell when a specific utterance is irrelevant; it may seem a step aside from its topic of immediate stimulus, but it may serve either to widen the field, set up a new range of settlement packages, or defuse a



potentially abrasive exchange. In this respect, for example,

B. *We would need to have delivery by June at the latest.*

S. *How important is our colour range to you ?*

S's apparent *non sequitur* could fit relevantly into a macro-act sequence that is building up. By establishing priorities S may be able to introduce a possible option of limited colour choice allied to faster deliveries. If in the end the disjunctive topic enables agreement to be reached, or gets an outcome to S's advantage, it was relevant to the negotiating objectives and the pragmatic goals, however incoherent it looked in the discourse at the moment of uttering. Judgement as to relevance is based on utility, in other words.

When it comes to recognising relevance in signalling, some of the skills required to make the connections are conscious -- listening for modality, for instance -- , and some are sub-conscious. The status of information is an example of the latter. Syntactic features help hearers keep track of whether the content of an utterance is already current (and so in English preceded by the definite article, pronominalised, etc.) or being revived/introduced for the first time (indefinite article.) Topic (in the grammatical sense: *the freight charges* ) and comment (*exceed our estimate*) are usually similarly recognisable, often as separate phrases or clauses in a sentence unit. The order in which information appears can of course be tailored to suit the stylistic or emphatic purpose of the speaker. Leech and Svartvik (1975) suggest that in the neutral setting the speaker puts the most important information in sentence-final position. But they give examples of ways in which in informal conversation emphasis can be shifted by fronting a topic.

(A) An utter fool I felt too, (: 176)

(B) Never have I seen him so angry, (: 178)

Many of the resulting sentence patterns required are uncommon; they may not cause interpretive problems to a native-language English speaker, but their unfamiliarity (inversion, etc.) could give foreign-language speakers processing difficulties.

Notions about relevance also determine a party's preferred style of argument or persuasion. Everyone has a repertoire of persuasion styles, but which one a person thinks is the most irresistible depends on her or his cultural background. Johnstone (forthcoming) focuses on three main categories, which she calls *quasilogic* (syllogistic, appealing to reason, aiming to convince), *presentation* (eloquent and poetic, appealing to emotion, aiming to move), and *analogy* (story-telling, appealing to tradition/norms, aiming to remind and teach.) And these approaches to argumentation are expressed in discourse which itself can be organised in different ways: Clyne (1981) identifies parallel, circular, digressive and linear patterns of organisation. Interaction might suffer if a hearer failed to see the point of (recognise the pragmatic goals represented by) a particular style of presentation. Inferences about the strength or seriousness of the other side's arguments might give the hearer a negative impression of their appositeness. A correspondingly negative impression might be given to the speaker by a hearer's apparent obtuseness.

3. 2. 2. 4. *MANNER: Be perspicuous: i.e.*

1. *Avoid obscurity of expression*
2. *Avoid ambiguity*

By now it will be clear that according to some theorists, obscurity and ambiguity are logically central to negotiators' language needs, since they provide protection by enabling parties to screen their own goals until they have enough information to feel confident about taking the next step forward. But apart from hedging and screening there are other purposes which obscurity and ambiguity serve. Much negotiation (as in e.g. trades-union disputes) is made more difficult by being conducted in the public eye. Building ambiguity into the strong public entry-point statements made in the early stages of bargaining enables negotiators to soften their demands ('what I said was...by which I meant...') at a later stage of the bargaining when conciliation is needed. It is in this context that Nierenberg (1968: 9) quotes that the "wheels of diplomacy often turn on the grease of ambiguity." High use of modality, for

example, permits a slow focusing process on issues, moving from ambiguity to increasing clarity at a non-threatening pace. Ambiguity also serves to relieve pressure in domains where negotiations are undertaken on behalf of principals who are not present, but who have to be consulted, and have to agree on the final deal. Deliberate obscurity of language, especially in framing early draft agreements, serves two purposes here: it lets the negotiator go away and come back to the table again 'for clarification', having had a stress-relieving break, or having gathered more information about the situation and background from outside sources. As pointed out in the last chapter (Section 2.5.6.), settlements like the Camp David Agreement are often attainable only by the use of this technique, applied to a 'Single Negotiable Text' amended and re-written many times until it reaches an acceptable verbal format. Ambiguity also enables negotiators to agree on a best-for-both deal, which thanks to ambiguous wording can still be made palatable to their constituents despite the fact that one or two items were traded at or near exit point. It is unlikely that many trades-union disputes, for example, would be settled if it were not for built-in ambiguities which both union and management could interpret to their members in a good-for-us light.

Although 'ambiguity' in this context is used in the broadest pragmatic sense (Schegloff 1984) stretching far beyond the the syllogistic ambiguity debated by semanticists, nevertheless in achieving clarity many areas of meaning rely on grammatical interpretation. These range from real-world realities (time; people; things), through co-text factors (previously given information), down to other words in the immediate sentence (*right* or *write*?). Certain formal patterns can help or hinder the connections speakers and hearers are trying to make in this information network, patterns pointed out by, among others, the Plain English Movement (Redish 1985.) In EIL transactions these could be used to obscure or enhance understanding. For example, psycholinguists generally accept that it is easier to process positive statements than double-negative ones, so careful phrasing or corrective re-phrasing could

ward off incomprehension. The same remedy could be applied to long, complex syntactic patterns, whose embedded clauses may cause confusion as to the relationship between pieces of information, as well as to the emphasis the speaker intended. Breaking up long multi-clause structures would be helpful especially for less proficient listeners. Being on the receiving end of such structures doubtless adds to the stress -- and sense of grievance -- occasioned by processing overload.

The relationships between topics and pieces of information can also be clarified by the conjunctions and relational words that ensure text coherence. In fact van Dijk demonstrates (1977, Ch 3) that conjunctions and connectives can be crucial to imparting pragmatic as well as semantic meaning to utterances, and to building macro-structures. But if negotiators are to be able to capitalize on this information without processing overload, the advice about avoiding complex sentences and embedded clauses could be pertinent.

3. *Be brief*

4. *Be orderly*

Brevity we have already dealt with in one sense under the Quantity Maxim. But there is another issue here for cross-cultural negotiators: what constitutes brevity in one culture may seem either uncomfortably curt, or alternatively tediously long-winded to others. Cultural assumptions about length in conjunction with suitable narrative styles vary (Clyne 1981; Littlewood 1983), and the impact of this on negotiation interaction is already the subject of applied linguistics research (Fant 1989.) Beyond that, notions of suitable brevity may relate directly to certain speech acts, with more eloquence and ritual being required for greeting, or for promising, in one culture than in another.

As to orderliness, it seems likely that the log-rolling process, by which negotiators try to combine and recombine issues in a series of possible packages, keeping all topics and issues open until final agreement, will entail a higher-than-usual instance of topic shift as various bargaining

issues are backgrounded, revived, and tied to other issues. Also, orderly discourse may be counterproductive if one is trying to shield one's exit-points and distract with side issues. We have seen that the negotiation sequence can loop back into earlier less productive stages if one party feels threatened. To avoid this, disorder may be a positive advantage. Tension may be relieved if both sides suspend anxiety-making topics or issues which don't seem to be moving things forward very fast, by for example leaving cost aside and changing the subject to delivery dates or repeat orders or backup services, in order to find a subject on which some trust can be built or (the opposite strategy) where some damaging admissions of the opposition's previous failure can be extracted.

### 3. 2. 3. Co-operation and negotiation

If we take Grice's Maxims as the base line for human communication, then the pattern of co-operation that apparently operates in the negotiation speech situation seem to depart more radically from that base line than does, say, spontaneous conversation. Or perhaps it would be more accurate to say that negotiation shows more deliberate strategic and tactical variance than conversation, since Conversational Analysis has made it apparent that redundancies, incompletions and reiterations are an unremarkable part of comprehensible conversation. In any event, successful negotiation depends on understanding the specific context and mastering the complex and stressful interaction, hence the dubious attitude experienced practitioners display towards research findings based on Games-theory inspired experiments involving a simple, mono-factorial simulacrum of negotiating. They argue that it's not that simple at the conference table, and the brief outline above gives some linguistic indications of why not.

Loveday (1982) believes even Gricean principles to be culturally relative. Certainly this discussion of them pointed to ways in which their realization is culturally determined, and in EIL-medium bargaining, there would be the extra demands of cross-cultural negotiation. This

relates to the subject of the effects that culture-specific assumptions have on pragmatic interpretations of meaning in context which we will consider in Section 3.3.4. below. But this does not prevent the underlying principle of cooperation from being universal. This is an argument clearly put by Brown and Levinson (1987) both on behalf of the CP, and of their own notions of 'face'.

### 3. 2. 4. Politeness and face

In Chapter Two and in the discussion above we outlined various tactical reasons for negotiators to moderate the directness of their speech -- defensive tactics of screening and hedging, offensive tactics of influence enhancement and concession-controlling. But there are other ways of looking at directness and indirectness. Brown and Levinson describe Leech, in promoting his notion of a 'politeness principle', as arguing that this "...explains why despite the maxim of Quality and Quantity, people sometimes quite appropriately say things that are false or less informative than is required." (Brown and Levinson 1987: 4) Although they disapprove of Leech's proliferation of 'principles', Brown and Levinson have been responsible for the general acceptance of 'politeness' as a universal of language pragmatics, showing it to be integral to the establishment of meaning in speech. 'Politeness' in their sense signifies the cooperative attempt on the part of interlocutors to ensure the mutual preservation of negative face (freedom from obligation) and positive face (winning or preserving approval/respect). In this face-saving endeavour Brown and Levinson identify three main strategies of politeness :

'positive politeness', (roughly, the expression of solidarity),  
 'negative politeness', (roughly, the expression of restraint),  
 and 'off-record (politeness)', (roughly, the avoidance of unequivocal impositions), ... the uses of each are tied to social determinants, specifically the relationship between speaker and addressee and the potential offensiveness of the message content. (Brown and Levinson 1987: 2)



In the Introduction to the 1987 re-issue of their original (1978) work, Brown and Levinson admit that their first theoretical statements about 'face' underplayed "the influence of other factors...which we now know to have much more profound effects on verbal interaction than we had thought..." (Brown and Levinson 1987: 12) and they refer to the difficulties that have been experienced by those trying to verify their theories by using the taxonomies of indirectness strategies for analysing naturally occurring discourse. Nevertheless, their description of the mechanisms for moderating language directness, and their exploration of the connection between this and face, are very germane to research into negotiation language, particularly in the light of the fact that directness/indirectness was one of the most common of the recommendations as to effective language made by the writers reviewed in Chapter Two. Since strategic moderation of directness offers an explanation for many of the instances in which negotiation appears to deviate from the default CP, we can assume that in a speech situation characterized by potential conflict and yet mutual dependence, issues of face have more than merely social significance, and we will look for examples to support that contention in the data analysed in Chapters Five and Six.

### 3. 3.. PRAGMATICS

#### 3. 3. 1. Definition

The centrality of meaning, its context-dependency, and the sense/force distinction, are all reflected in the definition of pragmatics given in the Longman Dictionary of Applied Linguistics:

the study of the use of language in communication, particularly the relationships between sentences and the contexts and situations in which they are used, [It] includes the study of;

- (a) how the interpretation and use of utterances depends on knowledge of the real world
- (b) how speakers use and understand speech acts
- (c) how the structure of sentences is influenced by the relationship between the speaker and the hearer,

Pragmatics is sometimes contrasted with SEMANTICS, which deals with meaning without reference to the users and communicative functions of sentences,'  
(Richards et al 1985; 225)

And the relation between meaning, context, pragmatics and the smaller segmental language systems is pointed out by Levinson:

...grammar... is concerned with the context-free assignment of meaning to linguistic forms, while pragmatics is concerned with the further interpretation of those forms in a context, (Levinson 1983; 8)

For our particular application the salient concepts here are *meaning* and *context*.

### 3. 3. 2.      **Meaning: sense and force**

In Chapter Two we pointed out how lay writers experienced two levels of meaning in an utterance: the surface meaning of the words, and the underlying social meaning of the message. Cole (1981: xi) says that in reflecting on meaning in languages, linguists must take into account

two possible subsystems: semantics, that system involved in the determination of conventional (or literal) meaning; and pragmatics, that system involved in the determination of nonconventional meaning.'

Leech (1983) calls these two kinds of meaning 'sense' (semantics; meaning in abstraction from particular situations) and 'force' (meaning relative to a speaker or user of the language), and argues that many aspects of meaning seen as problematic in terms of semantics are in fact the results of pragmatic constraints, and are more readily explainable in those terms. As the existence of force meaning predicates the importance of context, we will consider the importance of context to interpretation in Section 3.5. below. But for now, let us see how the goals inherent in the context affect the meaning in negotiating language.

### 3. 3. 3.      **Goals, pragmatic and the interpretation of meaning**

In the text of this thesis, the word 'goal' has been used in more than

one sense, as has the word 'pragmatic'. Making a clear distinction between the different uses of the words will prepare the way for a fuller discussion to follow, and for the connection between goals, meaning and topic which is the foundation of the analysis in Chapters Four, Five and Six.

The notion of 'goal' is essential to the negotiation speech context; *reaching agreement* is still a goal whether it is envisaged as agreement about arms reduction, a house purchase, or who does the washing up. The specific detail (items on the agenda) of bargaining objectives will vary in different negotiation events, and implementing certain tactics to further agreement on those specific issues are accepted negotiation subgoals. To serve these sub-goals bargainers enlist language performance skills to provide protection (screening; hedging) and power (information, influence, and concessions.)

We can therefore envisage **negotiating goals** as being both ends and means, viz

**bargaining objectives** the ends: material items on the agenda, such as e.g. getting particular price or size of discount, on which bargainers have priorities, entry points, exit points, etc. These are pragmatic goals in this sense:

concerned with immediate practicalities or expediency, often to the exclusion of intellectual, moral, or aesthetical considerations,

Longman Dictionary of the English Language (1984): 1156

They supply much of the transactional content of negotiation discourse.

and

**context goals** (means to the end); in turn encompassing

- Social/psychological goals (e.g. reaching an agreement; self-protection; gaining greater influence or status)
- Language goals, comprised of
  - \* sociopragmatic goals (e.g. sounding polite, or aggressive)
  - \* pragmalinguistic goals (e.g. issuing a warning; moderating

directness)

- \* discourse goals (e.g. initiating a turn; renominating a topic; interrupting.)

Looking specifically at the language goals for a moment, these are pragmatic in this dictionary sense:

1, ... dealing with the relation between signs or linguistic expressions and those who use them, 2, ... dealing with the contexts in which people use language and the behaviour of speakers and listeners,

Longman Dictionary of the English Language (1984); 1156

Such goals dictate how the informational, interactional, and textual function of negotiation language is managed.

Sociopragmatic (defined more thoroughly in the next section) goals include determining and manipulating the relationship between the interlocutors: their relative status, dominance, roles, personal characteristics, etc. Sociopragmatic goals are governed by the social/psychological goals and in turn affect the pattern of speech acts, and choice of the appropriate register and formality. Realizing these goals would necessitate cross-cultural adjustments in EIL-medium negotiating.

Pragmalinguistic (also defined below) goals include encoding and interpreting structural forms, lexis, etc. in utterances, the significance and appropriacy of which is judged at least in part in relation to the social/psychological goals and sociopragmatic goals.

Discourse goals are to maintain and manage the verbal interaction, and to establish the significance of one utterance in relation to others (and ultimately to all others) in the discourse sequence, judged with reference to bargaining objectives, social/psychological goals and other language goals. We will refer to this in more detail when discussing speech acts below.

I said in the Introduction that the presence of negotiation goals would help discourse analysis by giving a yardstick of measurement for the success of communication. But the usefulness of goals to research depends on their tangibility. Obviously bargaining objectives like the exit point on price of a certain item are quite concrete, although as was shown in Chapter One, incoming information may cause parties to alter their bargaining objectives as the interaction proceeds. The language goals are less free-standing: a sociopragmatic goal of sounding polite may entail pragmalinguistic goals (microgoals of moderating directness, a macrogoal of issuing a warning as opposed to a threat) and discourse goals of topic control. As regards 'success', it is much more straightforward to establish whether or not a bargaining objective regarding price has or has not been achieved, than to say whether a negotiator aimed at, or has been successful at, sounding polite. The short-comings of an approach to discourse analysis which relies on observer certainty as to speaker strategies/goals are referred to by Ferrara (1980a: 324-6). We will return to the question of observer inference in language research in Section 3.4.3.

### 3. 3. 4. Pragmatic theory and terminology

Given such interdependent goals, one finds it difficult to interpret how discourse patterns might contribute to the success or otherwise of an interaction without a clear image of how the systems which establish meaning-in-context work. Terms abound, and the same term may be used by different writers to refer to different things. Leech (1983: 10-11) uses *general pragmatics* to refer to "the study of the general conditions of the communicative use of language", that is, in an abstract sense and not in connection with any particular instance of use. The other two terms, sociopragmatic and pragmalinguistic, he uses in a more concrete sense with reference to particular situations, pragmalinguistics being language-specific, "...where we consider the particular resources which a given language provides for conveying particular illocutions..." and sociopragmatics being culture-specific, studying " 'local' conditions on language use...the sociological interface of pragmatics."

Returning to the sense-force dichotomy, and with reference to general pragmatics Thomas (1983: 92) agrees with other writers in suggesting that

- ...pragmatic principles are needed in order to
- a. assign sense and reference to the speaker's words ...
  - b. assign force or value to the speaker's words...

The first she calls 'level 1 speaker meaning' and the second, 'level 2 speaker meaning'. She further suggests (: 99) that 'In order to interpret the force of an utterance in the way in which the speaker intended, the hearer must take into account both contextual and linguistic cues.' The latter as conveyed by pragmatics include:

*At level 1, the attitude of the speaker towards the information (relative newness of information, topicalization and focusing of information, connotation, and presupposition);*

*At level 2, (a) the speech act or communicative intent of the utterance; (b) the attitude of the speaker towards the hearer (the degree of deference intended, perceptions of relative power, rights and duties, social distance, etc., existing between speaker and hearer).*  
(Thomas 1983 :101 [author's italics])

This seems to be at once illuminating and confusing. It clarifies to some extent the difference in focus of what is being called pragmalinguistics, concerned with the connection between language and informational goals, and sociopragmatics, concerned with the connection between language and social goals. However, it also shows that there are problems in trying to keep them separate:

*As one moves from 2(a) to 2(b) one is moving from the pragmalinguistic to the sociopragmatic end of the continuum and at the same time from what is language-specific to what is culture-specific.*  
(Thomas 1983 :101 [author's italics])

The model also does not make clear where the contextual cues to meaning are found: as part of sociopragmatics, or outside the linguistic competence entirely in the realm of social competence? Also, the use of the word 'presupposition' is ambiguous; is this the narrowly defined



semantic presupposition discussed in Levinson 1983, or, as we have used the term in this thesis, a general concept of assumptions or frames ?

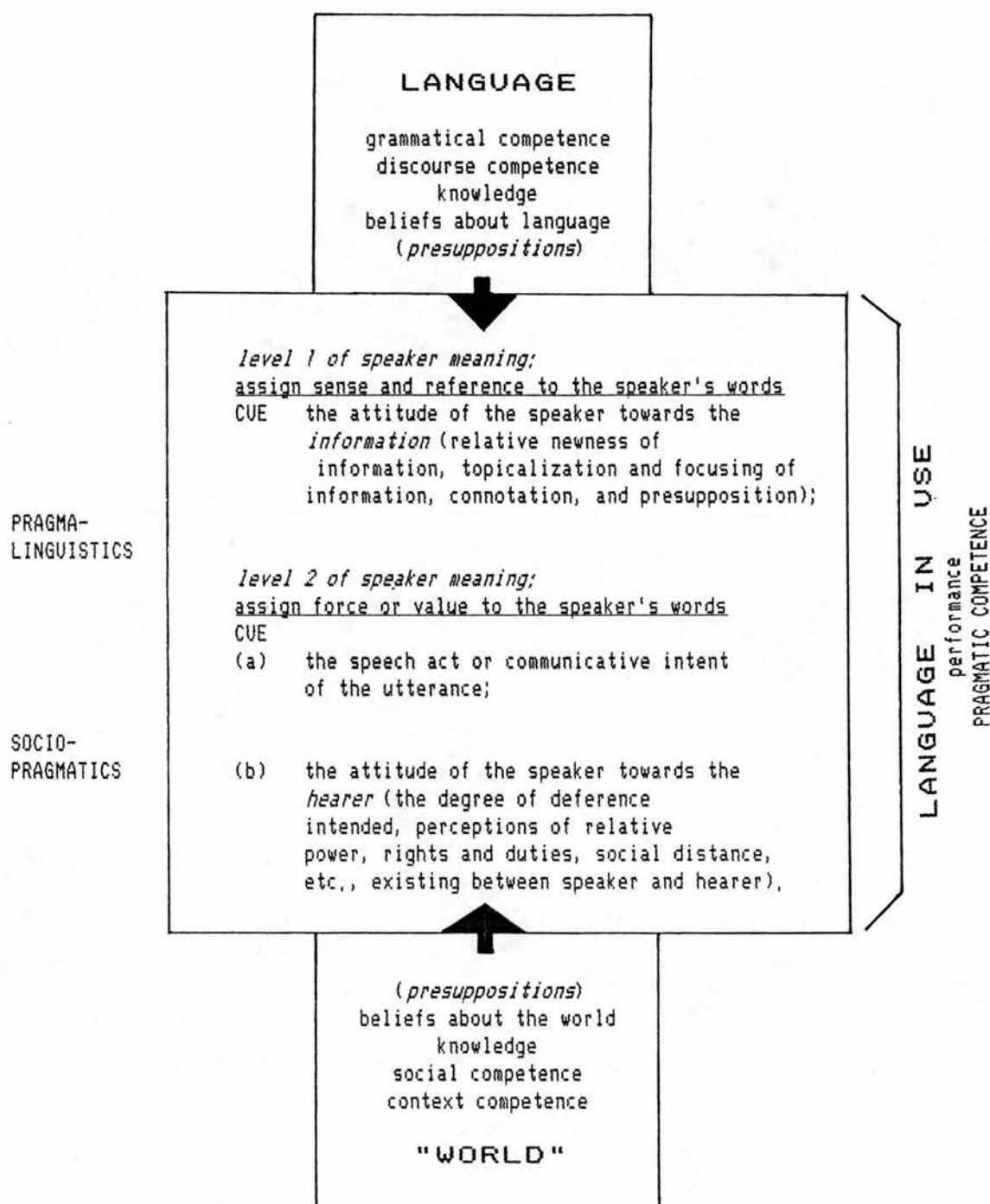
However, with this as an outline we have an image of general pragmatic competence where the assignment of meaning may be said to depend on (1) language knowledge, and on (2) more general 'world knowledge', incorporating context knowledge and social knowledge. In any given speech event language knowledge particularly affects pragmalinguistic competence, while sociopragmatic competence is dependent on the social knowledge. What about context knowledge ? We will return to a fuller discussion of the various types of knowledge in Section 3.4.1. below, but for the moment we might postulate that context knowledge affects both pragmalinguistic and sociopragmatic competence equally.

Perhaps it would help at this stage to set out the model of pragmatic competence (a language user's ability to communicate and interpret meaning in specific speech events and situations) which is being used as a basis for discussion and interpretation in this thesis, showing where various concepts fit in relation to one another. The diagram on the next page is based loosely on Thomas' descriptions (1983: 100) and on her Figure 1 in that paper.

In looking at this image it is important to remember several things. First, it is meant to encompass both knowledge about language ('competence') and control of that language in use ('performance'). Second, the two levels of speaker meaning indicated by Thomas are not separately occurring, but are both present in every utterance. As Leech says

The distinction between SENSE (meaning as semantically determined) and FORCE (meaning as pragmatically, as well as semantically determined) is essential to [the study of pragmatics.] But it is also essential to realize the bond between the two; force *includes* sense, and is also pragmatically *derivable* from it...

(Leech 1983 :17)



Third, analysing the meaning of a particular utterance principally from the standpoint of its formal features (pragmalinguistic) or social features (sociopragmatic) does not imply that in that utterance form or social action exist independently of one another: language (form), and action (function) serve together to give that utterance (as any utterance) meaning and hence goal effectiveness. When the practitioners and trainers showed themselves more aware of sociopragmatic than of pragmalinguistic features, their bias probably reflected the nature (amount and kind) of their 'language knowledge', while linguists might present just the opposite bias, i.e. towards pragmalinguistic features.

### 3. 4. LANGUAGE IN USE: SPEECH ACTS

#### 3. 4. 1. Speech acts and pragmatics

van Dijk sees the aim of pragmatic theory as formulating 'the general and particular conditions determining the full Intention-successfulness of illocutionary acts.' (1977 :199) Thomas (1983) --citing Leech -- describes pragmatics as ' the use of language in a goal-oriented speech situation in which S [the speaker] is using language in order to produce a particular effect in the mind of H [the hearer].' It cannot escape notice that this description strikes resonance with the definition of **power** cited in Chapter One (Gulliver 1979: 188, quoting Zartman) as "the ability of one party to cause another to change behaviour in an intended direction."

In order for the 'particular effect' to be created there has first to be talk (utterance/s) which is heard and interpreted (meaning; sense + force) by H just as S intended (goal/s) it to be. In our broad use of the term, this talk (utterance/s + goal/s) is a speech act, accepting that (as we will discuss below) one utterance can have several goals, and can also constitute several speech acts, and that in a speech act the listener is active as well as speaker, and interpretation is part of skill just as production is.

To expand on Section 3.3.4. above: it was stated that H's ability to judge a speech act's appropriacy and to interpret its illocutionary force correctly depends on language knowledge and world knowledge. Each has two components, which we will define as follows:

**Language knowledge:**

*Grammar knowledge:* about what systems (phonological, syntactic, semantic) encode meaning in linguistic forms which can then fulfil pragmatic goals, and about how to apply these systems.

*Discourse knowledge:* about the way linguistic and paralinguistic features work together to form larger meaningful units in connected real-life language interaction.

**World knowledge:**

*Context knowledge,* about the specific context of the speech situation in which the discourse occurs; in the case of a negotiation speech event, relevant knowledge about the world in general, about negotiating in general, and about the unique informational content of this particular interaction: what is on the agenda, the history of previous interaction, etc.

*Social knowledge,* about how to estimate interpersonal factors such as the relative status, roles, dominance etc. of the parties in an interaction, and how to control the social force ('politeness') of utterances.

Needless to say, the knowledges outlined above do not function singly, but act together on the coding and decoding of utterances. With regard to specific speech situation, Gumperz (1982a: 131) would not claim that the activity-type determines meaning, but that it constrains interpretation by making certain aspects of background knowledge more important than others. The connection between knowledge, information structure, and topic is clear in the useful distinction made by Kreckel

(1981) between common knowledge (a general resource for each individual) and shared knowledge ('raised' to be consciously part of the context of a specific speech event.) Brown and Yule refer to activated features of context -- "...those aspects of context which are directly reflected in the text, and which need to be called upon to interpret the text." (1983: 75.) Nor do the different knowledges only function locally on single utterances, but rather they work together to make the farthest reaching psychological connections of discourse meaningful, helping negotiators identify topics and weigh and manipulate speech acts as they occur in sequence in the speech situation.

### 3. 4. 2. Delimiting speech acts

'Speech act' (Austin 1962; Searle 1969; 1975; 1979) is, like 'discourse analysis, easy to recognise but difficult to establish boundaries for. As Hymes points out (1972 and 1986: 57) a speech act "... mediates between the usual levels of grammar and the rest of a speech event or situation in that it implicates both linguistic form and social norms." We saw in looking at coding systems in Chapter One (Section 1.2.3.4.) that the notion of language-plus-action has an obvious relevance to social science investigations into the behaviour of negotiation. All the same, many writers see theoretical problems with the concept of speech acts (Levinson 1983.) Those that particularly impinge on negotiation analysis and coding are to do with (1) recognition, and (2) boundaries.

#### 3. 4. 2. 1. Recognition: acts and exponents

In terms of recognition, the problem is to determine:

- what the speaker intends (encodes)
- what the hearer understands (decodes).

These may not coincide for a given utterance, thus affecting the participants' interaction, or if they do coincide a third party (observer; analyst) may not arrive at the same interpretation as the interlocutors. With no one-to-one relationship between speech act meaning and grammatical form, a language function like *disagreeing* can be fulfilled

by many exponents. Interpretation depends on recognising their fitness to the purpose, and judgement studies (Gumperz 1982a: 137ff) show that a range of interpretations are possible. Moreover, with respect to negotiation discourse, exactly which form negotiators choose can play a very important part in negotiation momentum, increasing or decreasing the intensity of the effect (*Stop ! Absolutely not !... ; ...we cannot entirely agree...*), and signalling their awareness of the various constraints imposed by roles and register (*Absolutely not !... -vs- Drop dead !...*), relative influence (*we feel we would like to point out that...*), the stage of the negotiation, the cultural context and many other factors which underpin notions of appropriacy.

Finally, there is the problem of the extent to which interpretation depends on an act's place in the sequence of discourse, of knowing how free-standing a speech act is: do (e.g.) analogies count (to the observer) as separate acts, or as subordinate parts of an overall act of persuading/argument ? As we will see in a moment, Ferrara (1980b) accepts the premise of main and subordinate acts, embedded in a sequence and hierarchically interrelated in a variety of ways, and puts forward suggestions as to the principles that govern a hearer's inference of the main act through decoding the subordinate one[s].

#### 3. 4. 2. 2. Boundaries: utterances and categories

The question of the connection between surface form and function coordinates with the problem of boundaries:

...several sentences (or syntactic chunks) strung together may constitute a speech act... On the other hand, one utterance may perform several simultaneous acts, (Brown and Yule 1983: 223)

Ferrara (1980b) argues that it is in a discourse feature, rather than a syntactic one, that the closest correlation (albeit not one-to-one) between form and function lies, in that a turn-unit achieves at least one speech act:



... it is impossible to be speaking during one's turn and not to perform any speech act, ... the turn is the most elementary unit of verbal interaction which is given to the hearer for the processing and detection of a 'point'; each time a turn is over, the hearer is left with the question of what the speaker aimed at, (1980b; 245-6)

### 3. 4. 2. 3. Beyond boundaries: macroacts

Where in sequence the microacts occur is thought (Ferrara 1980a; 1980b) to be essential to their definition, as well as being important supporting evidence as to the constitution of particular macroacts. If two acts are usually found in a 1-2 sequence at many stages during an interaction, or in many different interactions, it can at least tentatively be argued that they are related to one another, that it is likely that one act builds on or depends on another, and that together they constitute a larger act.

Bargainers have to recognise microact force and at the same time keep track of macro-acts, which have to be recognised for their cumulative force (repeated instances of, say, *exemplifying* being interpreted in certain contexts as a macro-act of *justifying*.) The macroacts in turn must be interpreted as having tactical or strategic force with relation to a more global pragmatic goal. *Justifying* may be part of PERSUADING (or BULLYING) the other party into accepting a rise in price.

Keeping track of interlocking chains of speech-act meaning while maintaining rapport requires complex skills. As we have accepted, different individuals have different assumptions about what constitutes particular speech acts. On top of that, extra language difficulties arise in some negotiation from having to deal with a large volume of discourse. The more exchanges there are, the more substantive information enters the pool of shared knowledge, the more complex the interactions become, and therefore the more variously they can be interpreted. This is particularly relevant to the negotiation speech event where information is dense, where hedging and screening are accepted strategies, and where the interaction can be of long duration:

no easy answers here. Speech acts are only viable when both speaker and hearer, using their grammatical, discourse, context and social knowledge, recognise the speech acts' functional appropriacy to the pragmatic context. In negotiation if a buyer doesn't recognise *We might be able to look at those discounts now* as a proposal, then it has not entirely succeeded in functioning as a proposal, in that there can be no uptake on that topic/bargaining objective. Above that level, both speaker and hearer have to keep track of a string of individual speech acts relating to various goals, which add up to a macro-act of tied package building. If an individual proposal goes unrecognised, the cumulative package-building may not be very successful either. That defective package-building in turn jeopardizes global negotiating objectives: with poor package building both parties will end up well below a best-for-both agreement. So the speaker's and hearer's language knowledge, grammatical and discoursal from sentence level right up to whole-interaction level, are vital to the success of the communication event.

### 3. 4. 3. Speech acts and analysing negotiation discourse

Recognising the practical possibilities of this pattern, Ferrara develops his ideas (1985) to demonstrate one way that the relation between speech acts (acting as a superordinate level of interpretation or as macroacts) can be used to "...obtain an accurate picture of the pragmatic macrostructure underlying the text..." (1985: 156), in effect supplying a skeleton version of the interaction through charting the (inferred) goals of the speakers: acknowledge/discount/defend/object/counter/claim/insist, etc.

However the recognition and boundary factors outlined above create coding dilemmas. When one has defined categories, and curtailed them to a manageable number, one finds that many utterances are hard to fix in only one category. A high degree of inter-rater reliability can be achieved by training observers as to the exact criteria on which to base

judgement, but this is not entirely convincing from an investigative point of view. Training observers to code anything round (defined as 'not having any obvious angular corners') as an orange is likely to make their coding job more straightforward, and their rate of agreement high, but it will not reveal the presence of peaches, melons and walnuts in the sample. If shape is cross-tabulated with colour, the walnuts would obviously not belong, but the problem of deciding whether or not peaches and some melons were orange would remain. And so on.

When it comes to recognising the pragmatic force of utterances, there is a suspicion that even with a very comprehensive and detailed coding system, if coders need to be trained to recognise an utterance's (say) warning function, it is likely that its pragmatic force may be ambiguous to participants in a negotiation speech event as well. Moreover, whereas much of a message or sequence of messages may show one thing ("we appreciate your department's efficiency and its crucial role in the company's day-to-day running ...") in the negotiation context the ultimate force, the exercise of power, may be quite other: ("... but you must accept 20 % staff cuts and that's final.") Yet both messages may contribute to the context goals of the speaker, one to a sociopragmatic goal of sounding supportive, one to sounding tough.

In the end, the most telling argument against the notion of speech acts as units of analysis is that while the observer/classifier may decide whether or not the utterance (or several utterances comprising a macroact) fulfils the classificatory criteria s/he has predicated, (or closely defined -- e.g. the Dictionary of Speech Acts in Clark 1983) the intent of the speaker, and the interpretation of the hearer, remain harder to prove. The uncertainty of interpretation must be particularly true in negotiation discourse, where speakers/hearers often have the goal of masking their true reaction. In a sense the observer, by the act of designing a system for keeping track of, classifying patterns in discourse, virtually creates the pattern s/he observes. Conversational Analysis undertakes to avoid this by being scrupulous about generating

analysis only out of matters observable in the data of interaction, but Heritage and Atkinson (1984: 1) accept that in fact even CA cannot avoid observer inference to some extent.

The problem seems intractable: on the one hand, classification of utterances according to how an observer thinks they fit into a pre-designed plan seems to be prejudging the issue. There are not just twenty possible behaviours in negotiation, nor 400, nor even 2000. But clearly there must be an organising principle if one piece of discourse is to be made comparable to another, and if a significant pattern is eventually to be made demonstrable. This is particularly the case when analysts have to cope with very long texts, as in negotiation studies.

### 3. 5. MEANING IN CONTEXT

#### 3. 5. 1. Context knowledge and context features

Of the four requisite knowledges the most open-ended is context knowledge. Leech defines the context of an utterance as

...any background knowledge assumed to be shared by s[peaker] and h[earer] and which contributes to h's interpretation of <sup>what</sup> s means by a given utterance, (Leech 1983 :13)

He asserts that different contexts call for different default interpretations (1983: 43.) His definition of background knowledge is virtually the same as the definition of 'presupposition' in the Longman Dictionary of Applied Linguistics, but Leech intends this notion of context to refer to only one utterance at a time in a speech event; we are also interested in presuppositions about the entire negotiating speech situation, abstracted from any particular occasion of speech. In Chapters One and Two a combination of factors (reproduced here for convenience) was suggested as being definitive of a situation commonly recognised as 'negotiation.'

- two or more parties, each with
  - no better alternative opponents (**bipolar monopoly**)
  - **power**
  - **goals**
  - **mutual dependence**
  - **mixed motives**
  - **information**
- potential for **outcomes, payoffs**
- **conflict**
- **strategies; tactics**
- **interaction; talk before action**

Awareness of these factors is part of the context knowledge which governs how language and behaviour are interpreted during negotiation events.

### 3. 5. 2. Individual assumptions about context

The four kinds of knowledge needed for pragmatic interpretation are abstracts, not the property of any one individual. What individuals have are personal systems of knowledge, incomplete and idiosyncratic, covering various fields. With the postulation of individual systems of knowledge, we return to the idea of **assumptions** or frames, the basis for interpretations of the meaning and the appropriacy of utterances in specific speech situations.

Defining a list of negotiation context features is not to claim that there will be consensus among negotiators on the detail or realisation of the various elements. Apart from individual variation, there will be cultural differences. Schemata of language knowledge and world knowledge have been shown to vary between people and cultures (see e.g. Gumperz and Hymes 1972 and 1986). This is relevant to negotiators using English as an international language. In cross-cultural negotiation the world knowledge informing sociopragmatic competences will come from a variety of potentially non-compatible cultural sources.

### 3. 3. 4. Pragmatics, context and EIL

In respect to interpreting speech acts, we must take into account the

impact that cross-cultural interaction has not only on general conversational skills (Gumperz 1982b; Littlewood 1983) but on negotiation skills as well. International negotiators operate not in a single socio-cultural domain, but also in at least one additional domain, that of 'foreign-to-me'. This may be apparent to both parties, but most acutely to the one who is 'off-base' in a particular situation; who this is might be determined by looking at where the negotiation is taking place, or at whose language is being used. In the case of an American negotiating in Venezuela in EIL, in some sense both parties are 'off base' culturally, one socially and one linguistically. In addition there are corporate or professional cultures (e.g. large multi-national companies like IBM, or highly specialised fields like medicine or the military.) An American firm supplying protective clothing to an oil-drilling firm in Venezuela might therefore find itself threading a way through behaviours suitable to three or four overlapping 'domains': commercial business, South American, petro-chemicals industry, and 'foreign-to-me'.

Clearly socio-pragmatic goals are compromised if negotiators have widely different preconceptions about their speech event. In some societies the difference between discussion, negotiation and litigation is regarded as predominantly a matter of setting and conventional roles, while in others it is much more a matter of styles of discourse (Frake 1972.) Or another example: a preconception operates with respect to negotiation goals themselves. Is the primary aim normally seen as 'the deal' or as an on-going relationship? Negotiators' assumptions about this colour all aspects of negotiation thereafter: how much time should be spent on 'getting to know one another', (a lot for Japanese, almost none for Americans-- McCready 1986); how hard to push on secondary points, how much effort should be spent on 'policing' or 'penalty' clauses. The effects show in the discourse: when notions of (eg) appropriate timing differ, the discourse may exhibit a long non negotiating social or general introduction, a high number of 'irrelevant' side-loop discussions, and other exchanges whose purpose is to clarify and align world-



knowledge components. This will be visible in the pattern of topic control and development.

### 3. 6. LANGUAGE ANALYSIS IN THIS THESIS

The discussion of pragmatic complexity illustrates why frequent reference has been made to the difficulties of negotiation research. Let us consider the problems as they affect an applied linguistic approach, and particularly the research methodology suggested in this thesis.

#### 3. 6. 1. Effects of discourse duration and pragmatic complexity

The sometimes inconclusive findings of highly controlled laboratory-like studies of negotiation have led investigators in all fields to feel that naturalistic data are more likely to yield generalizable and comparable insights, even though each participant -- investigator as well as subject -- brings to the experiment or observation a host of unpredictable and untraceable individual variables. Donohue, Diez and Stahle (1983) review the early work in this regard, pointing out the possible contribution that language analysis of different kinds could make. The challenge has been taken up by research programmes at The East-West Centre (Honolulu), Eindhoven/Tilberg, etc. But there are problems in research design. Two factors in particular of natural negotiation data affect the comparability and generalizability of research findings: the duration of most negotiation events, and their pragmatic complexity.

Although a negotiation event out of which some tangible change in the *status quo ante* emerges can last only moments (e.g. haggling for tomatoes), in commercial or diplomatic negotiating several hours is the norm. And of course individual negotiation events may form part of a sequence of related events lasting even years, e.g. The SALT Talks. This is a fundamental investigative problem, since as Putnam has pointed out (1985: 237), research designs which impose weeks of tabulation work to analyse one interaction do not appear to produce significant and useful

findings in proportion to the time consumed. The volume of tabulated items makes it hard to weigh significance, and the time involved is likely to reduce drastically the number of texts available for comparison, thereby jeopardizing generalizability. To check theory against reality investigators need to compare large numbers of real-life negotiation events, in many different domains. To achieve this systems of analysis are needed which will be operable if not in real time, at least without the necessity of closely transcribing entire speech events. As far as one knows all the systems to date depend on having high-quality audio (if not video) taping facilities, and transcripts to refer to. For these reasons, in considering discourse analysis techniques for negotiation research I looked for a principle to organise a broad transaction map of a negotiation event, as a more efficient first step preparing the way for more detailed analysis of potentially significant exchanges.

As regards the complexity of negotiation, we have established at length that negotiation discourse is regarded as deviant, complicated, and multi-layered, with each utterance giving AND screening information about motives, while simultaneously trying to structure the other party's attitude and expectation. If that is the case, and professional negotiators urge that it is, then the problems of analysis at more delicate levels are acute. It was suggested in the previous chapter that to find out what constitutes successful negotiation discourse, one needs first information about the goals of the negotiators, and second, information about what they do to achieve those goals. Goals are only a help in measuring the interlocutors' success if investigators can find ways to predict them, or to retrieve them post-event to inform the analysis. Inferences from the interaction and the outcomes are approximate at best. Moreover, the presence of concrete goals is only enlightening if one has a way to trace their fulfilment and alteration throughout the speech event (Hawes and Smith 1973 cited in Putnam 1985). For this reason, to take advantage of their presence a system for tracking pragmatic macrostructures in discourse is essential.

Coding systems such as those mentioned in Chapter One, despite the time they take to apply, do not seem adequately to reveal the tactics and strategies expressed in "unnatural" multifactorial conflict-resolving language. As for the potential of discourse analysis in this regard, we have already mentioned (Section 3.4.3. above) Ferrara's proposal for using speech act relations as an organising superordinate for discourse, and have seen the inherent problems posed by too great a reliance on observer inference.

### 3. 6. 2. Topic control and discourse analysis.

Accordingly, instead of speech acts I propose **topic control** as the key to the first level of analysis. What Brown and Yule call (1983: 73) "the very attractive pretheoretical notion of 'topic' " can form a means of tagging the transactional content of discourse and thereby discerning major discourse patterns. 'Topic' for this purpose I would relate to a restricted set of topic entities, viz. the bargaining objectives of the negotiation. Defined in that way, topic, apart from being one of the language features most frequently mentioned by the practitioners reviewed in Chapter Two, has several positive factors to recommend it as an organising guide.

1. It is a discourse feature in which the bargaining objectives are explicitly signalled;
2. It is easy to observe, being marked in the lexical and grammatical forms of speech in such a way as to obviate high reliance on observer inference in coding;
3. It does not require any inside knowledge of speaker intent, it being immaterial at this first level of analysis why a topic is raised or maintained;
4. It is not affected by cultural background to the same degree -- as far as one knows -- as speech acts.
5. It has been theoretically developed by both Discourse Analysts and Conversational Analysts, thus giving helpful foundations to build on..
6. If the number of topics being traced is confined to a

predetermined list of the bargaining objectives, the analyst is relieved of accounting for a potentially infinite number of sub or supporting topics.

Discourse Analysts are particularly interested in the notion of topic as it pertains to the control and understanding of speech: cohesion and coherence (Halliday and Hasan 1976), new topics, revived topics, current topics etc. (Brown and Yule 1983.) With their different focus, Conversational Analysts look at topic from the point of view of the mechanics of management: topic nomination, topic maintenance, topic shift, etc. (Atkinson and Heritage 1984.) Both of these perspectives are valuable here, to provide a guide through the extended text, and to give clues as to how influence is increased or lost.

The potential of topic management analysis, as well as some considerations and problems in its methodology, will be the subject of the next three chapters. It is important to be clear as to the purpose of trying to show which topics are referred to in which turns. This is a suggestion to augment the coding categories most common in systems like those mentioned in Chapter One, categories which focused chiefly on the instrumental purpose (e.g. 'attribute blame') and the relative power movement (one up, one down, one across) between the parties, as interpreted by the observer. Instead, focusing on topic is an attempt to use the actual bargaining objectives as signposts to the interaction. Speech about these issues is after all the essence of negotiation. Irrespective of speakers' intentions with regard to one another, and equally irrespective of their intentions for any one individual utterance, it is the over-all result of their handling of these bargaining objectives that equates with negotiating success or failure. The pattern which emerges in terms of the number of, sequence of, or juxtaposition of, utterances referring to those bargaining objectives must reflect to some extent the mechanism for balancing influence in the interaction.

### 3. 6. 3. Targets for more delicate degrees of analysis

By tracing topic control and development through turns (defined as an uninterrupted stretch of speech) it should be possible to identify moments in the interaction (sequences of exchanges, or individual turns) which suggest negotiating change, development or stasis, and which therefore merit analysing at a greater degree of delicacy. In this, the insights of lay-practitioners may be the first clues as to what features to look for, language features pertaining to indirectness, commissive speech acts, discourse control, and question forms. Analysis at this level should indicate some of the language behaviour which resulted in the continuance of a pattern, or the change from one pattern to another. Any transactions which seem to be critical or which appear to lead to unexpected developments could then be examined in even greater detail using a turn-by-turn, utterance-by-utterance, or unit-by-unit coding system. Such analysis is outside the scope of this thesis, but there is no reason why at these even finer degrees of delicacy established and reliable discourse analysis systems can not be adapted to uncover consistent discorsal evidence to support or disprove the interpretations of the broader levels of analysis, evidence contained in language features such as topicalization, syntax, lexis, modality, phonology, discourse strategies, etc.

### 3. 7. SUMMARY

Negotiation is an unusual speech event with its own rules of cooperation and principles of politeness dictated by material and instrumental negotiation goals. Interpreting the meaning of utterances in this speech event depends on pragmalinguistic and sociopragmatic competence founded on knowing about language, knowing about social interaction in general, and especially on knowing about the peculiar context features that constrain the discourse and make certain language strategies (like reticence, obliqueness, and distortion of strict truth) more accentuated than they would be in general conversation. This pragmatic competence

is affected by cultural conditioning, and negotiation in EIL may be particularly demanding due to incompatibilities in negotiators' assumptions about the context features.

Research into negotiating discourse is commensurately difficult. Bearing in mind the pragmatic complexities in the negotiating speech event, and the resultant difficulties of interpretation encountered in using coding systems that seek to tabulate utterances according to pragmatic force, I have suggested that rather than attempting to trace the shifts of interpersonal influence between the negotiators, it might be easier to concentrate on the substance of the case being negotiated, using the issues at stake as pointers towards significant exchanges (worth more delicate degrees of linguistic analysis) which may contribute to the loss or gain of influence, and thus bear on the outcomes. With that in mind, I have proposed more than one level of discourse analysis:

- (1) a broad analysis of topic control based on the most tangible negotiation goals, viz. a strictly limited list of the bargaining objectives, and requiring a low level of observer inference, and
- (2) more detailed analysis related to the pragmatics of the critical utterances found by the first system, at as many levels of delicacy as are judged necessary to achieve specific research targets.

The following chapters attempt to show the effectiveness of this. They will concentrate initially on the first level of analysis, in which topic control serves as a guide, and will go on to look at how topics are developed, noting particular language features associated with topic development.



## CHAPTER FOUR: Dealing with Data

He that wrestles with us strengthens our nerves, and sharpens our skill,  
Our antagonist is our helper, This amiable conflict with difficulty  
obliges us to an intimate acquaintance with our object, and compels us  
to consider it in all its relations, It will not suffer us to be  
superficial,

Edmund Burke *Reflections on the Revolution in France* 1790

This chapter describes how data for this thesis were obtained, and explains the rationale behind their choice and the way they were handled, before we go on in the next two chapters to analyse some aspects of topic control and development in the data.

### 4. 1. DATA IN NEGOTIATION RESEARCH

#### 4. 1. 1. Experimental -vs- naturally occurring data

The discussion about handling naturally occurring data at the end of the previous chapter reminds us of that other pressing problem for negotiation research, getting useful data of any sort. Even when bargaining is reasonably co-operative the interaction works best with privacy, and in high conflict situations there is worry about confidentiality; both considerations make participants reluctant to allow observation, much less recording or filming. And where investigators are allowed to observe, they may find it difficult to get a preview of goals, or the opportunity to debrief participants after the speech event (although some researchers achieve this: see Druckman 1986.) Admittedly transcripts of certain public negotiations are available for analysis but they are limited for certain research purposes by being translations into standard language giving no access to paralinguistic features or to linguistic features -- phonology, hesitations, etc. -- that may provide clues as to participants motivations and feelings. Nor do transcripts made in the past, e.g. of the Law of the Sea negotiations, or of present events in the public domain such as public enquiries, allow interview access to the participants for clarification or judgements.

Perhaps for the moment the most useful role for transcripts of real-life negotiations is as instances of reality against which laboratory-like recreations can be compared, enabling investigators to see how well experimental behaviour matches real behaviour in terms of outcomes. But even in this case the research methodology still encounters the linguistic problems of length and complexity mentioned in the previous chapter. Finally, from the point of view of using negotiation discourse as a guide to language performance skill needs, most transcribed public negotiations -- arms limitation talks and the like -- are usually not typical of negotiations participated in by ordinary negotiators, whose personal and commercial bargaining domain is much less ritualised and perhaps less confrontational.

#### 4. 1. 2. Simulations data

Controlled experiments may be the best research methodology for certain targets, but if the focus of a study is language and communication then any distance of the data from real life will mean a weakening of validity. Nonetheless even for research targets related to language the lack of naturally occurring data forces a continuation of laboratory based studies. These may be designed with creditable attempts to incorporate 'realistic' context features, but such care is undermined when, as in many psychology studies, the only subjects available are undergraduates inexperienced in formal negotiation, whose behaviour may not correspond to what would be expected of more experienced practitioners.

In Chapter One (Section 1.2.2.4.) we mentioned simulations used in the Harvard Negotiation Project. Subjects are often candidates for the MBA degree, drawn from all over the world. They frequently have observed or even practised negotiating in real life, and can demonstrate in simulations the real-life skills they have acquired. The most elaborate simulations are designed to parallel in simplified form the events and processes found in such genuine negotiations as the Camp David Talks, the Panama Canal negotiations, and The Law of the Sea conference, in which many of the course developers and facilitators (Raiffa; Sebenius; Roger Fisher) played real-life negotiating roles.

Provided (as is the case there) the participants are experienced adults whose behaviour one can presume to be informed by real-life experience, well designed simulations may be a workable compromise between real life validity and laboratory rigour, although of course at some remove from reality: neither the full complexity nor the urgency of real-life negotiation can be simulated, however well designed the exercise. The extent to which this artificiality has an significant influence on language behaviour is not yet known, but in psychological experiments subjects taking part in simulations have been shown to behave much as in real life (Ginsberg 1978) and this realism can be encouraged. For example, preparing and working in teams (group responsibility) can increase the participants' desire to acquit themselves well, and in some instances the prospect of personal reward can be used to increase both risks and urgency. On the Harvard MBA courses (see Raiffa 1982) simulation outcomes materially affect participants' course grades.

When they are well designed, paying due regard to balancing social forces (Duffy and Kavanagh 1983), semi-natural simulations yield particularly valuable data for studying the contribution language makes to table power in negotiation, because as well as being available and non-sensitive, they offer at least some measure of control over virtually limitless variables. In a simulation there is no element, or only an artificial and cued element, of 'real' outside-world power. What is on show is negotiators' skill in using the role and the situational information which the facilitator provides. Simulations make investigation easier in that when one knows the input of motives and inhibitions, and the material outcomes, one can focus most attention on what lies in between, on the interaction language itself, in seeking to establish whether, as well as to what extent and in what ways, language behaviour is the link between input and output.

#### **4. 1. 3. Tracing goals: different approaches to observation**

One of the difficulties with using naturally occurring data is that of getting a clear picture of the negotiation goals, even of the bargaining objectives. Where one is briefed by participants (pre or post the speech event) one can then try to see what transactions in the interaction seem

to further or hamper the goals they describe. The drawback of this is of course that one is dependent on the willingness of the participants to confide in an observer. Beyond that, one is also dependent on their honesty and clarity of thought if being briefed before the event, and on their memory and ability to be objective after the event: neither can be certain in such a face-threatening and sensitive environment as naturally occurring negotiation, although in a laboratory setting the risk, and therefore the sensitiveness, is less. It might also be argued that pre-event briefing is only partly satisfactory without balancing insights from de-briefing participants after the event, since no party has all the information before the interaction starts, and objectives may have to be substantially altered during the negotiation event in the light of things learned as the interaction unfolds. In simulations, of course, there are at least no bargaining objectives apart from those provided by the facilitator, although individual participants will devise unique social-psychological tactics, and may also have real-life, non-role personal self enhancement agendas which cannot be controlled for.

Where informants explicitly reveal their goals, the approach may be called **informed observation**, and where the goals are predetermined by the observer, **experimental observation**. A third approach is necessary when there is no access to the participants. In that case, one might attempt to find out about the negotiating goals by reconstructing them after the event, drawing inferences from analysis of what goes on in the interaction. (see Hawes and Smith 1973 cited Putnam 1985.) Such an approach may be called **analytic observation**; it has the advantage of leaving the observer unprejudiced by prior 'insights', but it may make it difficult to decipher transactions which are 'contaminated' by the need to change goals in response to substantive or affective information emerging as the case is being negotiated. The accuracy of such observation is dependent on the investigator's ability first to determine what constitutes important evidence, and then to recognise examples of it. In other words, as we said in discussing speech acts, the observer pre-determines the criteria for judgement about the pragmatic force of an utterance.

#### 4. 1. 4. Quality or quantity

While agreeing that naturally occurring data will ultimately produce more accurate theoretical models than will laboratory studies, I concluded that for discourse analysis properly mounted simulations provide a sufficiently 'real' corpus of data to be valid, yet a sufficiently manageable one to be reliable. That conclusion governed my choice of data. That leaves one more question: how much data is needed to ensure a useful result? The answer surely depends on what research question has been posed, and the investigative design deemed most compatible. The argument here is usually thought to lie between qualitative and quantitative research designs, although as Crystal and Davey point out (1969) in at least one sense quantity is part of so-called qualitative research design as well: even if one is looking only at one event/performance, one is probably first looking for the presence or absence of certain behaviours, and second counting their frequency. This information only becomes fully useful (i.e. generalisable) when one can compare the frequency in one text with that in another different text.

Much (but not all: see e.g. Douglas 1957) early negotiation research was quantitative, at least in its intention to compare a carefully limited number of behaviours across a large number of 'texts' (interactions). But as we have said, large numbers of (fairly) comparable texts are difficult to get even in laboratory settings, and impossible in real-life settings. In Chapter Two (Section 2.1.) we mentioned calls for more qualitative study, to validate or dilute the theoretical positions developed by quantitative studies. In this context 'qualitative' is taken to imply

- fewer texts
- more emphasis on observation and less on manipulation
- less pre-structuring of what can be observed, recorded or videoed
- greater use of naturally occurring data
- greater reliance on observer interpretation
- more modest aims regarding generalizability

This seems to be the most productive research methodology for discourse analysis studies at the moment, filling in more and more details of the broad (and in the light of the reports of professional negotiators, fairly true-to-life) existing models of negotiation based on quantitative studies.

#### 4. 2. DATA COLLECTION FOR THIS THESIS

If getting data for negotiation research is difficult, looking for naturalistic cross-cultural data with some degree of comparability narrows the options even further. The writer is therefore fortunate to have been allowed to collect data from EIL management training simulations. However the nature of the training course and the high job status of the participants meant that permission to record was given by the course organisers only on the understanding that doing so would in no way disrupt or distract from the primary work of the course participants. In particular, formal interviewing of subjects was forbidden, although informal contact and conversation on the day of data collection was allowed. This curtailed the design of the project, both as regards control over data collection, and the amount of background information that could be sought. These are the details:

##### 4. 2. 1. *STEP: Executive Programme for Transport and Related Services*

The data was recorded in November 1988 during the yearly STEP course, an international residential course in economic and management planning run by The Esmée Fairbairn Research Centre (TEFRC) of Heriot Watt University, to whom the writer would like to express gratitude. This course, divided into two two-week blocks separated by some months, is intensive, with activities normally scheduled for morning, afternoon, and after-dinner sessions six days a week. The majority of the course-work pertains to economic planning and forecasting, facilitated by sophisticated computer modelling software. Various international specialists give lectures and seminars, and there is a one-day negotiating component in each of the two blocks. In their 1988 post-



course evaluations participants gave this component a maximum rating for usefulness and enjoyment.

#### 4. 2. 1. 1. The subjects

The 1988 participants, 18 men and 2 women, came from six countries, five of which were represented on the day the recording was made, *viz* Sweden, France, Great Britain, Canada and the USA. Because of the time-pressures of STEP and the constraints mentioned above it was not possible to interview individual participants systematically, but informal conversation was possible during morning and afternoon breaks and over lunch: the gist of these conversations will be referred to in the description that follows. As regards the participants' backgrounds, personal biodata provided to course participants and facilitators indicate that they were typical of the clientele for which the course was designed: holders of senior management positions in transport -- shipping and airline -- companies in various parts of the world, with experience of living and working outside their home country.

The STEP course-work was not subject to any formal summarized assessment by the organisers, but it was informally competitive. Course participants indicated in conversation that in keeping with their level of professional responsibility and competence, individuals expected to be the judge of their own performance on course exercises; peer pressure and team rivalry was strong on certain computer modelling exercises but this was offset by the fact that the composition of teams was constantly shifting. In general, the atmosphere was of whole-group spirit supporting well-defined personal agendas, these last reflected in the financial value the various employers placed on getting this level of training for these particular people (the cost of the 1988 course was US\$ 9,000 for the four weeks.)

In conversation all participants said that negotiating played at least some part in their professional competence, and a major part for most. They described English as the principal medium of international interaction in their work.

#### 4. 2. 1. 2. Language proficiency

Those subjects who were FLS of English (foreign language speakers; indicated in the transcripts with an asterisk) had often lived for some time in an English-speaking country, and appeared to have a very high level of proficiency, as regards both fluency and accuracy, although the conditions of permission to record precluded any formal assessment of this.

This high proficiency, and familiarity with pragmatics of negotiating cross-culturally, notably in a North American setting, actually proved counterproductive to one of the aims of this thesis. Particular care had been taken to track down a rare combination of simulations data, involving experienced negotiators, from various language backgrounds both NLS and FLS. It had been hoped with such data to show that analysis had the potential to reveal differences between NLS and FLS as far as language use was concerned and -- extrapolating from those differences -- particularly crucial aspects of language performance skill. However that aim was almost entirely sabotaged by the high language proficiency and communicative competence in this domain of the subjects. Many of the Scandinavians were virtually NLS-like; were their FLS status not indicated by an asterisk in the transcripts it is likely that it would be virtually undetectable to a reader. In all the data there was only one instance of shifting into L1, and that during a whispered consultation between Negotiator and Observer (whose peculiar-looking identifying pseudonyms are explained in Section 4.2.2.1. below):

hAqN\* 57 We have to do a little calculation here beside, [*whispered consultations; 24 secs*]  
 hCbO\* 19 [*whispers*] I understand Swedish, [*laughter*]  
 hCbN\* 42 Well, it's forbidden to speak another language.  
 hAqN\* 58 Oh, I'm sorry ! [*laughter*]

And those whose accuracy was not of near-NLS standard nevertheless showed few signs of communicative difficulties. In the interactions, clarification exchanges almost always related to substantive content, not to language comprehension (apart from interpretation of the written briefs, which was a topic from time to time.) Mostly this was quite

clear from the context, but once or twice there is some ambiguity as to whether the objective was content or language clarification. For example

tAqN\* 27 Um ? And what is your idea, for the link it; to link the four month sales, or -eh-  
 tCbN 26 Yes, to link it to the sales.  
 tAqN\* 28 Or five month sales, or -eh-  
 tCbN 27 No, I - I think you misunderstand.  
 tAqN\* 29 Yeah, I think I do that, [laughter]  
 tCbN 28 Never mind [name tAqN\*], [laughter] What we mean is; what we sell -

followed later by

tAqN\* 35 Yeah-h-h -  
 tCbN 33 Do you understand what we're saying ?  
 tAqN\* 36 I - I understand what you're saying. But I don't understand how many you would like to sell per year,

Where it occurred, negotiation of spoken meaning was as likely to occur between two NLS negotiators as cross-linguistically. There was sometimes confusion between numbers (fifteen/fifty), but beyond this the one or two instances when language difficulty was specifically referred to were insignificant both in proportion to the volume of successful communication, and in respect to their detail. For example the following exchange caused nothing beyond a slight interruption to the argument; hCbN\* did not seem put out by his pronunciation uncertainty:

hCbN\* 52 Yeah, I mean -eh- we - we- intend, with this -eh- -eh- decreasing price we intend to launch a new campaign, big campaign ( , , , ) -eh- to -eh- stressing that the= ( , , , ) =the - the -eh- this is a new area for - area - era ? era ? [laughter]=  
 hCbO\* 22 'Era',  
 hCbN\* 52 =era, for the AquaScot product-

Bearing all of this in mind, these data do not afford significant examples of differences, so they are not very helpful at determining what effects NLS/FLS status have on negotiation language skill. However the issue of possibly culturally-determined approaches to negotiation tactics will be raised again in the following chapter.

#### 4. 2. 1. 3. The negotiation simulations

The person responsible for the negotiation training module on the course

was Prof. Gavin Kennedy of Heriot Watt University, to whose introduction I owe my permission to record. As well as his academic work as a specialist on the economics of NATO, Prof. Kennedy runs a private company called Negotiate Limited, through which he acts as a consultant negotiator and operates training courses in Britain, Europe and the Far East. His books (non-academic) on negotiating are referred to in preceding chapters.

The normal training format for Negotiate Ltd. is a 25-27 hour weekend, twelve trainees and two-three facilitators, where presentations occupy roughly one third of the time, and simulations two-thirds. The simulations are based on Prof. Kennedy's consultancy practice, and have been carefully written to incorporate complexity while ensuring a balance of power for both sides. For a simulation, trainees are assigned to negotiating parties of three -- negotiator, summariser, and observer -- with each trainee filling each role at least once per course. The negotiator is responsible for arguing her/his party's case; the summariser is responsible for keeping track of changing details on the issues, speaking only to present factual information or (occasionally) to give a hard-pressed negotiator time to re-focus. The observer is instructed not to speak, but to concentrate entirely on the other side, watching details of language, voice quality, body-posture, expression, eye glance, in-party interaction etc.

With twelve trainees, this format results in two separate negotiating tables. The parties, 'buyers' and 'sellers', are given two 'briefs', cue sheets of which one contains information common to both sides, and the other private own-party information. (See Appendix Sections 2 and 3) for the briefs used by the STEP participants.) Each party then consults in private -- minimum one hour, usually about 90 minutes -- to digest the information it has been given, identify the issues, establish its priorities, inhibitions, entry and exit points, and to decide on what its negotiating strategy and tactics are going to be. At the end of the preparation time, both parties hand over to their particular tutor copies of sheets on which their issues, priorities, entry and exit points are noted. They then go to the negotiation table and have one hour to

negotiate the case. This negotiation session is video-recorded, during which time the tutor watches on the monitor, making notes and using the index numbers display to locate significant transactions. During the course of the bargaining, a maximum of three short (c. 3 minutes) time-outs are allowed for conferring and redesigning tactics.

At the beginning of the course trainees are made aware that the object is not to "win" or to exemplify ideal negotiating behaviour. It is rather to get some semi-realistic experience in a protected environment and, through filming, to provide clear examples of behaviours which can be analysed and form part of everyone's learning process. In this last objective, bad negotiating technique is as useful as good. After the one-hour negotiating time has elapsed --or sooner, if agreement has been reached -- the tutor returns to the group, reveals what the pre-bargaining objectives (entry and exit points) of both sides were, and leads the parties in self-analysis, using the video tapes to recall and exemplify certain crucial points. Copies of the other party's private brief are distributed, to make teams more aware of signals they may have missed, etc. This analysis usually takes about as long as the pre-bargaining planning, i.e. 60+ minutes.

The simulation cases vary in complexity, becoming more dense as the training proceeds. Each case focuses on a particular aspect of negotiation technique -- understanding strategic import, information gathering and management, listening for signals, etc. -- which is the subject of the pre-simulation presentation. These begin with what are apparently judged the most straightforward (ie. first presented) tactical aspects: competitiveness and cooperation, interpreting information and the like. Then later sessions are devoted to behaviours which are not so intuitive: interpretation of signals, use of various indirectness markers, and especially the ability to frame proposals in a calculatedly conditional syntax. To the linguist it is interesting that many of these higher-level negotiation skills seem to be language ones.

#### 4. 2. 1. 4. Mechanics of recording

Because of STEP time constraints, this normal Negotiate Ltd. format has

to be altered to take account of there being only four four-hour sessions in total, and the need to give 20 participants each at least once chance per block to take the negotiator role. On the day these data were collected, two simulated cases were negotiated, each preceded by a presentation and warm-up exercises, and followed by analysis. The afternoon session ended with a final resume. Parties for the simulations consisted of Negotiator and Observer only; odd numbers meant a Negotiator working alone in one or two groups. This gave five 'buyers' parties, and five 'sellers', and here the writer was able to exercise some degree of control, being allowed to choose who would fill which roles in which groups. In this way it was possible to form dyads with various language/cultural combinations: NLS-FLS; NLS-NLS from the same/from different cultural backgrounds (British/North American); FLS-FLS from the same or different language/cultural backgrounds. However as explained in Section 4.2.1.2. above, this turned out to be a disappointing exercise.

Five negotiating tables bargained simultaneously; the cue sheets, preparation time, and advance-planners were as usual, but video-recording was thought superfluous in the light of the curtailed analysis time, and the post-session analysis and debriefing was in plenary session, the tutors having taken notes as they moved from room to room to monitor each group at least once.

Participants had taken part in negotiating simulations during the first STEP two-week block some months earlier, and several days before this negotiating component they were informed about the proposal to audio-record, and asked if they had reservations. Asking for their formal written permission to use their speech was thought inappropriate by the STEP course directors, but the subjects were given to understand that the tapes would be for descriptive language research (specifically discourse analysis), would not be listened to by the STEP course organisers or form part of the STEP programme, and would <sup>not</sup> involve the use of their names or identities. They all indicated that they were quite willing to cooperate, and expressed indifference regarding the audience of the tapes or the use of their names.



Audio tape recorders with unobtrusive flat multidirectional PZM centre-table microphones were placed in the five negotiating rooms. One slightly faulty microphone resulted in poor sound quality, so in the end only four groups were transcribed for each of the two cases negotiated. There is little evidence that recording inhibited the interaction or speech performance of any subject, and when asked directly about this everyone expressed surprise that it could be expected to do so. This may be attributable to the subjects, by virtue of their status in their companies, being well used to (a) public presentation of self, and (b) making recordings of meetings. They did not entirely 'forget' about the recording, as the following facts show. First, I had indicated that I would switch on the machines when they assembled to start negotiating, but they were very aware of the time-constraints and wanted to begin as soon as possible. In approximately three groups of the five I arrived into the room to find that the parties had started negotiation, and the tape-recorder, on their own initiative. Second, the tapes reveal that more than once the cassette was stopped during a 'time out' and restarted when negotiation resumed. In addition, there are a few direct references made to the presence of the tape, e.g.

tCbN 59 Sorry [*name tAqN\**]; can you repeat that ? [*laughter*]  
 tAqN\* 59 I can use the tape recorder ! [*laughs*] I said - I was suggesting that  
 if -eh-

Finally, in a group who over-ran their one-hour limit by a few minutes, someone turned the tape over onto the second side, as I did myself for another over-running group whom I was monitoring at that stage.

#### 4. 2. 2. The transcription

The transcripts of the resulting eight tapes (four groups X two cases) aim at an approximation of speech, adapting various notation conventions followed by Discourse and Conversational Analysts. Although some adaptations have been dictated by word-processing constraints, certain conventions have been deliberately set aside as not of primary importance to the level and target of analysis being undertaken here. Most noticeably, little attempt is made to reproduce the phonology and phonetics of the speech, as will be indicated below. This decision was

based on a conviction that these features were not of primary importance to the language feature being targeted, viz topic management. This is not to say that phonology is without importance in this regard, merely that an examination of it awaits another less general research project. However some phonological features have been indicated and they will be covered in the description of the notation system adopted, in Section 4.2.2.3. below.

#### 4. 2. 2. 1. Identifying the speakers

In the examples of discourse above peculiar looking pseudonyms are used for the speakers. These are an attempt to solve the problem of how to identify individual speakers while also identifying which of the two simulations their speech comes from (*Contracting Out*, or *Agency*), their party in the case being negotiated (buyer/seller), their role in the interaction (Negotiator or Observer), and whether the speaker is a NLS or FLS of English. This I have attempted to solve in the following way: the seminar rooms in which the different groups negotiated were named after firms (Hewlett-Packard, Piedad, Transtema, Volvo) who supported TEFRC with grants; accordingly I have used those names to identify the group occupying a particular room, and the initial of that room, in lower case, is the first letter of the pseudonym of the speaker (see examples below.) The parties in the two cases are, for *Contracting Out*, Aviation (buyers) and Omega Computers (sellers), abbreviated **Av** and **Om** and, for *Agency*, Cobbers (buyers) and AquaScot (sellers), abbreviated **Cb** and **Aq**. These, as appropriate, are the second and third letters of the pseudonym. Following that, the fourth letter indicates the role of the person designated, **N** being Negotiator, and **O** being Observer. Finally, FLS are indicated by the addition of an asterisk. So

- pAqN = Piedad group, case *Agency*, AquaScot party's negotiator; NLS
- hAqN\* = her/his equivalent in another (Hewlett) group; FLS
- tCbO\* = same case, but yet another group (Piedad), the opposing party (Cobber) and an observer rather than negotiator; FLS
- pOmN = group Piedad, case *Contracting Out*, party Omega, negotiator, NLS.

These aliases have the disadvantage for the reader of being neither pronounceable, nor as immediately recognisable as single initials like J and M, or proper names like John and Mary. But it is hoped that enabling comparison will repay the concentration needed to recognise one speaker from another both in the extracts used as examples in the discussion which follows in this and the next chapter, and in the transcripts in the Appendix. In the latter, each group's interaction is preceded by the case name, the room name, and the pseudonyms of those participating, with a indication of each person's mother tongue.

#### 4. 2. 2. 2. Turns

After the pseudonym of speaker, there is a number which indicates which turn that stretch of speech represents for that speaker (e.g. p0m0\* 7). The term **turn** is used to indicate any uninterrupted stretch of speech during which the speaker holds the floor. Backchannel utterances of agreement, echoing, interjection etc., and unsuccessful attempts to gain the floor are not considered to break the turn, although if they are long enough or significant enough they are numbered as constituting an abortive or a short turn for the would-be interrupter; short interjections, supportive noises, etc. are not counted as turns, and are not numbered. Occasionally when a speaker indicates a turn closure by pause or tone, this transition invitation is not taken up by the hearer, and the original speaker resumes speaking, often on a new topic. In that case the new utterance is numbered as a new turn, not a continuation of the previous one.

#### 4. 2. 2. 3. The notation system

I have already said that no systematic attempt has been made to approximate closely the phonetic or phonological features of the participants' speech. Standard spelling has been used throughout, despite the many accents of the speakers, on the basis that in a long text this is less distracting to a reader, and that the information encoded in other types of orthography was not crucial to this analytic task. Similarly, little attempt has been made beyond the use of conventional punctuation to indicate the rhythm and intonation of speakers. In this regard, a comma, semicolon or parentheses represent a

slight pause or intonational change within an thought-unit, and a full stop a more definite break between one thought and another. Question marks are used where the speaker's tone is a questioning one, although such utterances do not always have the pragmatic force of genuine queries. Utterances which have question syntax but statement intonation are finished with a full stop. (*We don't want to get into that, do we.*) Underlining is used to show those places where a speaker's voice pitch/loudness indicated particular emphasis (*It's my understanding sir that you have no claims yet*) No other attempt is made to indicate the loudness of voices or breath movement; in the few cases where such features seem relevant they are described in a transcriber's 'aside', indicated by square brackets. These asides include information about interaction [*whispered conference*], paralinguistics [*smiling voice*], summaries of what happened [*discussion about case notes*], and remarks about transcription [*inaudible*].

Short hesitations of less than a second, despite their importance in Conversational Analysis for other purposes, have been only roughly indicated in this transcription, by the use of a hyphen (-). Longer silences are represented by approximate seconds elapsed, in square brackets. Various pronounced hesitation or floor-holding noises are all here transcribed as - *eh* -, and agreement noises generally as *Um-hum* or *yeah*.

Finally, overlaps of two or more speakers are indicated by the use of a vertical line at the beginning of the overlapping utterances:

pCbN	11	So you have other distributors now,		you're saying.
pAqN	11			At present, yes.

Interjections are indicated similarly, except the space left for the interjection by the main speaker is represented by a space on the page. Turns which are broken into but continue are indicated by an equals sign at the end of the first section, and a similar sign at the beginning of the next part:

pCbN	45	We'll carry two months' stock		at all times		order in two=
pAqN				that's right		Um-hum

pCbN 45 =month lots, we'll pay the freig- You won't have any freight charges,  
you don't have no- to do any of that. The day it hits the shore, we  
wire you the money. [3 secs]

Movement of turn from one speaker to another where there has been  
interjection or overlap is marked by a vertical line at the end of the  
the first speaker's utterance, leading down to the start of the second  
speaker's turn.

hAqO*	12	Excluding	N.S.W.
hAqN*	24		Excluding New South Wales.

#### 4. 2. 3. The cases

##### 4. 2. 3. 1. Participants' assessment of the cases

Simulations are unreal, but the participants in these simulations  
indicated that around the table they felt much as they do when  
negotiating in real life. The competitive desire to acquit oneself well  
helped toward realism, as did the authenticity of the tasks imposed:  
participants were dealing with levels of complexity and with issues that  
are familiar in their working environment. Certainly as far as one could  
tell from monitoring the planning sessions, pre-negotiation preparation  
was treated seriously, and it is interesting that while in some groups  
the first two or three exchanges at the negotiation table often have a  
self-conscious 'stagey' sound, this is quickly succeeded by a different  
more natural tone.

tCbN	1	G'day, Grace !	
-tAqN*	1	Hello, love,	Welcome to Scotland,
tCbN	2		Hello,
tCbO*	1	Thank you,	Thank you very much,
tAqN*	2	How are you ?	
tCbN	3	Fine, We're fine,	
tCbO*	2	Okay,	
tAqN*	3	And you find our suggestion very interesting ?	
tCbN	4	Yes, we -eh- went through it, and discussed it and	-eh-
tAqN*	4	Good,	That's what we're
		here for,	

This natural tone normally characterised the interaction until the end of  
the simulation. The only exception to this was in Hewlett Agency, where

for whatever reason the parties could not entirely maintain a suspension of disbelief. Their interaction was broken in a few places by consciousness of the artificiality of their task, and participants made several jokes which were not present in the other interactions.

hAqN\* 17 Ah, you know this is a good product,  
 hAqO\* 8 I've been in Australia many many times and -  
 eh- they drink -eh- spring water like hell, [laughter]  
 hCbO\* 6 Especially Scotch, [laughter]

It is noticeable that this was the only negotiation event of all ten, counting the two that were not transcribed, that failed to produce a settlement.

There is another sort of recognition of the non-reality of the tasks, however, which is exhibited in all the interactions: participants had some difficulty in interpreting the cue-sheets, which presented very complex situational factors in a very brief format. The task of decoding the text of the briefs appeared no easier for NLS than for FLS participants:

pOmN 36 Eh - it's also our information that the no-liability clause is invalid -  
 only for [2 secs] other stuff. So, Okay, it's -eh- the liability is  
 not a problem - we have a problem reading this and understanding this,  
 ...

Several transcripts show exchanges where reference is made to "coming out" of role so that parties can confer about interpretation of the material facts in the general briefs before going "back in".

-pOmN 41 If I can just call a time out - is that information - no, Is that  
 information in your -  
 pAvN 40 Yeah, [laughs]  
 pAvO\* 4 [inaudible]  
 pOmN 42 Okay, Because I didn't want to ad lib with the fact - okay -  
 pAvN 41 No, it - well-  
 pOmN 43 No  
 pAvN 42 There's - I think, on 'time out'; there's going to be some differences  
 of interpretation on things too in here, which is -  
 pOmN 44 Okay, Okay, Back in,

Many participants said they felt that they would have acquitted themselves better if there had been more preparation time to digest their briefs and plan their strategy; this lack of time was attested to



by the many expressions of uncertainty about figures in the *Agency* transcripts, and the fact that during that case several groups were unable satisfactorily to bring all the issues in to their bargaining. The transcripts also reflect the shortness of the negotiating time, with many references to running out of time. In several groups one gets the impression that towards the last moments both parties, consciously or otherwise, replaced their original bargaining objectives with a cooperative effort to get a settlement. This may have resulted in a type of interaction that is not characteristic of the final stages of real-life bargaining. The one hour bargaining time undoubtedly serves the training purpose of creating a range of behaviours which participants can analyse, but for research purposes it would probably be better to increase both preparation time and bargaining time by at least fifty percent for the more complex cases.

#### 4. 2. 3. 2. Case details

Briefs for the two cases, copyright The Institute for Negotiation, are in the Appendix Sections 2 and 3, together with fold-out resumes of the issues and objectives for the parties. This gives an overview of all the motivations, against which one can measure the success of the outcomes achieved, shown on separate fold-out sheets.

Both cases have a business setting, and involve certain items on which bargainers are expected to work for a material outcome, and other items which are sources of influence for one side or another. The case negotiated first, *Contracting Out*, involves a grievance between a Civil Aviation Authority and the computer company, Omega, to whom they have entrusted payroll processing and payout. This grievance prompted a high proportion of argumentation about apportioning blame. *Agency*, the second case, involves straightforward commercial bargaining between a mineral water producer and a would-be distributor. It was regarded by participants as more complex than *Contracting Out*, by virtue of the greater number of substantive issues. They gave an opportunity for more finely-balanced package building (the training objective), but also created confusion, demonstrated in all the transcripts, with regard to figures, percentages, etc. This confusion, and the detrimental effect it

had on the table power of the negotiators, bore out another of the training objectives, i.e. heightening participants' understanding that the party in best control of the facts has the bargaining advantage.

Skilfully-written training simulations ensure that both parties are given equal power when they start -- potentially equal, that is, for designers cannot control the participants' understanding of the briefing sheets, or the efficiency of their preparation. That these simulations succeed in this regard can be demonstrated by looking at the range of outcomes for *Contracting Out*. Two groups (Hewlett and Volvo) present a fairly even-handed distribution of the material values, but in one group (Pieda) the Computer company Omega, and in another (Transtema) the Civil Aviation Authority, emerge clear 'winners'. Despite being given the same starting roles and facts, these last two groups end up almost polar opposites in terms of power ratios. Transtema Omega promises to pay out £2000 plus £18,000 for carrier's claims (which don't in fact exist), and gets no preferential treatment whatsoever respecting future business. Pieda Omega on the other hand agrees to pay only £ 2000, and wins a firm commitment to nearly a million pounds worth of new business. The marked contrast between the latter two groups should give an opportunity to demonstrate some language which associates with these different results and to suggest what is and is not effective negotiation language. However there is an important question here regarding how to determine what is effective language, and what effective tactics. Sometimes inappropriate tactics (for example, being conciliatory against what turns out to be a very aggressive opponent) are realised in language which might be effective in a different situation against a different opponent. At other times the tactics may be appropriate (e.g. hedging about one's motives) but the language used may inadequately serve those tactics (by e.g. confusing, or giving a strong impression of lying, reneging on a commitment, etc.)

#### 4. 3. USING TOPIC TO MAP INTERACTION

The preceding chapters discussed some of the drawbacks of existing methods of coding negotiation interaction, proposing instead topic control as a useful guide to trace negotiation interaction. This needs further clarification.

##### 4. 3. 1. What is 'topic' ?

Brown and Yule make a distinction between *topic* ("the general pretheoretical notion of... 'what is being talked about' " 1983: 138) and *topic entity* ("the 'main character/object/idea' notion" -- 1983: 137). The example they give is an obituary, where the deceased person is the topic entity, but where

The 'topic' of an obituary might be more adequately characterised as some such terms as 'an appreciation of the noteworthy events and deeds in the life of X'. (; 138)

For this analysis, with the joint objectives of finding a more efficient and transparent guide through long discourse, and of giving clues as to how bargaining influence is increased and lost, a system was adopted based on identifying topic with goals. This was done by extracting from the case briefs a finite list of topic entities directly germane to the particular interaction, and to which topics in turns could be said to relate. In this respect working with simulation rather than naturally occurring data is an advantage, because the list can be drawn up with some objectivity. Topics -- necessarily a limited number -- are introduced in the briefs in order to be of some use to the bargainers, and the observer is not left to decide after the event what in the interaction was an irrelevant red herring, nor required to guess what might have been important but was not mentioned. For this study, in effect the topic entities in question are the bargaining objectives and negotiation goals of the two simulation cases, as listed below.

##### 4. 3. 2. List of simulation topics

The topics indicated with a target symbol (•) refer to material issues such as in the case *Contracting Out* the amount of compensation to be paid, amount of future business awarded, and the adoption of a no-

liability clause in the contract. Other issues are enabling rather than material, serving to strengthen or weaken the influence of a party with respect to a material objective: the existence of prior employee relations problems, the degree of blame/liability engendered by the various errors & malfunctions, etc. These issues will be referred to as *pressure topics*. The greater substantive complexity of the second case Agency is apparent from the higher number of material topics that it predicates, which substantially increase the cognitive load for participants.

*Contracting Out* (grievance over failed wages payout)

- **Carriers'** (airlines') **claims** against Aviation for compensation because of upheaval: how much should Omega pay ?
- Omega's **computer malfunction**: how much to blame for upheaval ?
- Aviation's **data code error**: how much to blame for upheaval ?
- **\$2000 payout**: who pays cost of arranging a manual wages payment ?
- **Penalty (\$ 10,600)** for breaking the present contract
- Effect of Aviation's pre-existing **employee relations** problems on upheaval
- Award of contract for potential \$1M worth of **future computerisation work**
- Incorporation of a **no-liability clause** in a future contract
- Value of the **present contract** to Omega
- (•) Past and future customer **service and goodwill**

*Agency* (agreement to distribute Scottish mineral water in Australia)

- **Exclusive distributorship** for Cobber
- **New South Wales distributorship**
- role of **rival distributors**
- **Annual sales targets** - amount of cases and time frame
- **Stock levels** to be held: how large, and whether tied to targets or sales
- **Cost ex-UK** of the product to Cobber
- **Terms of payment**: CIF or FOB; payment on dispatch or on arrival
- **Marketing commitment**: who organises campaign, and who pays how much towards it ?

- **Product image** and strength
- **Present market position**; volume of existing sales; sales of competitors
- **Markups** and margins: how much for AquaScot, and for Cobber, based on what ?
- **Local price levels** wholesale to the superstores: lower, stick, or raise ?
- Who controls **setting of local price** ?
- **New contract**: length; ability to revise or terminate depending on performance

#### 4. 3. 3. Turns and topics - criteria for categorising

Having established a list of relevant topics, the next stage is to listen to speakers' turns to determine what topic/s a particular turn refers to. But in this discussion of the criteria for categorising, the first question we must deal with is that of observer inferences. As we will see below, in many turns the topic is clear. However at times deciding what topic/s a turn refers to requires the categoriser to make inferences. In mitigation, I would argue that these inferences are easier to make than determining whether or not an utterance is a suggestion or a warning, for example. In most cases the observer's need for inference is temporary, what is uncertain in one turn being resolved by explicit nomination in the next. In the following example although I presumed that the last part of the turn (*on the other hand*) introduced an (interrupted) reference to Av's data code error, I coded only the topic (*computer malfunction*) about which there was no question.

tOmN\* 5      Yes that's so -eh- (...) First I want to apologise for the accident that happened with the computer, but - eh - on the other hand - eh -

In tOmN\*'s subsequent turn (6) the topic of the *data code error* was in fact unmistakably raised, and so coded.

The literature, particularly about Conversational Analysis (Atkinson and Heritage 1984: 165), makes quite proper reference to the difficulties of deciding where in discourse a topic surfaces: does it exist when implicit in topic elicitation utterances or only when explicitly nominated in some way ? For example, would one say that an (invented) utterance like *what*

*are you doing tonight* refers to a topic of (say) *letter writing* which is raised explicitly in the reply? For the purposes of this analysis I have assumed that such fine distinction is not usually critical, at least not in the plotting of an approximate 'map' of the discourse. The point is to find a system for sorting turns which can be relied on to provide a rough guide to the interaction without making more elaborate demands in terms of coder training than a clear understanding of the issues in the case. In this a topic-related system seems hopeful; similar topic-to-turn allocations resulted when four other coders mapped *Transtema Contracting Out*. This was a very informal trial however; although the entire transcript was coded, the coders had only a limited acquaintance with the case details (leading to confusion in some instances), and topic-to-turn allocations were compared only for selected 'major' turns. Stronger claims would require a controlled test, involving more coders, better preparation, and systematic methods of comparison. Based on that, a more systematic approach to topic assignment might be arrived at.

As guidelines for dealing with topic, I have settled for a quite commonsense attribution of topic to turn, based on the following criteria: (examples taken from *Contracting Out* case data unless otherwise noted)

#### 4. 3. 3. 1. Status of topic

Although I would not wish to claim any simple correlation between Prince's (1981) concept of *Discourse Entities* and my concept of topic, nonetheless the categories of *displaced* and *inferable* in her taxonomy of information status were suggestive when it came to explaining how topics could instinctively be judged as alive (i.e. current) when they were not actually apparent in the turn itself taken in isolation. This arose because in many instances a particular line of argument involved two closely-related topics, initially raised together in the same turn, and then alternately fore- and back-grounded in a turn sequence designed to clarify details. This will be exemplified more clearly in the next chapter, but for the moment I wish merely to mention the way in which I have interpreted Prince's notion of there being inferable topics as well as explicit ones, and to refer to the classes of status



that are available according to Brown and Yule (1983: 183) e.g. *new* (not mentioned before), *current* (mentioned in the previous turn[s]), *displaced* (once new/current; then dormant, now revived), and *inferable* (not explicit.)

#### 4. 3. 3. 2. Number of topics in a turn

In section 4.2.2.2. above 'turn' was defined as a continuous run of speech, even though it may be broken into by interjections, attempted interruptions, etc. It will be seen that just as one turn may perform several speech acts, so many turns in fact refer to more than one topic. Indeed it might be argued that speech pragmatics is so complex that very few turns really only deal with one topic even when they appear to do so. For these analytic purposes I have relied heavily on the cohesive devices which identify referents (pronominal reference, substitution, etc.), the assignment being made easier by having a limited list of topic entities to which to relate utterances. In the following, for example, the first three turns would be coded as one-topic turns (the topic being *carriers claims*):

hAvN*	24	(...) Okay, let's say - eh - now that we are - I said before that we are estimating that the carriers claims will be about eighteen thousand dollars,
hOmO*	12	Eighteen,
hOmN*	42	Eighteen,
hAvN*	25	-eh- Sorry, <u>eight</u> thousand dollars. And -eh- why don't we
hOmO*		Okay,
hAvN*	25	=eh- for - for this case, make that fifty fifty, and then for the future we have - to - to specify in the contract better so it's clearly said,

As for multi-topic turns, sometimes as in the last turn (hAvN\* 25) in the previous example (*carriers' claims; future business [contract]*), these are made up of several single topic references in sequence. In the following example (*topics computer malfunction (hP<sup>1</sup>)/ data code error (hP<sup>2</sup>)/ carriers' claims (hP<sup>3</sup>)*), the movement from topic to topic is explicitly signalled by the discourse markers *first of all*; *and*; and *also... :*

hP <sup>0</sup> OmN7	I have to take issue with a few of the comments you've made, -eh- First of all you said that we've established the fact that it was a malfunction error, one error on our part, and I thought that you had
----------------------	--

- 12           agreed to the fact that it was a coding error, caused by information  
             that was supplied by your department, ... Also, you mention the fact  
 13           that you've had some discussions with the carriers and you may be able  
             to negotiate their settlements down, ...

In other turns one utterance is framed in such a way as to cover more than one topic simultaneously, as here where by virtue of the cohesion marker *therefore* the data code error is referred to implicitly in assigning a cause to the computer malfunction.

vOmN\* 8       Yes. So therefore the - the computer run failed, [2 secs] So you gave us the wrong tax-week number, so it's not our fault really that the - the - that things haven't -

When one finds that certain topics regularly appear in tandem in turns, it is a sign of one of three types of phenomena. First, the topics may be closely associated or mutually dependent issues (for example, a cause and an effect or two effects of a particular cause), where to mention one is to imply the other. Examples in the *Agency* case are cost ex UK and terms of payment, or exclusive distributorship and the NSW distributorship.

Second, topics in tandem may indicate attempts either to apply pressure to the other party or relieve pressure on oneself. An example of the former (*Contracting Out*) are the associated topics of *carriers' claims*, and *employee relations problems* -- i.e. a problem, and a contributory cause. An example of relieving pressure on self (also from *Contracting Out*) is an association between the topics *computer malfunction* and *data code error* -- justification of one's own fault in terms of the fault of the others. In this type of paired-topic one power source is used to augment, or conversely to counteract, another.

Third, tandem topics may indicate package-building, where closely related material issues are linked. Sometimes these are interdependent items (e.g. from *Agency*: local price levels and who gets to control local prices), or they may be balancing items where bargainers are attempting to engineer a quid pro quo. (e.g. *Agency*: sales targets and cost of



the exact sum at stake (*a million* as a substitution token for 900,000). In the next example a substitution token *the other part* (▶<sup>1</sup>) refers to the \$20,000 alleged carriers' claims. Half of this, \$10,000 is then replaced by *fifty percent* (▶<sup>2</sup>) tAvN 18), and the appropriateness of that substitution is confirmed by tOmN\* 19 (▶<sup>3</sup>):

tOmN\* 18 Well, we can agree on the two thousand at once, that 's -eh- quite okay.  
We - in - and -eh- I shouldn't make any - it seems to be a - a realistic claim, -eh= (...) =but -eh- I should suggest that -eh- we  
▶<sup>1</sup> split the other part, [2 secs] You say twenty thousand, We are willing to pay within this year, ten thousand ?  
▶<sup>2</sup>tAvN 18 [3 secs; writes] Fifty percent,  
▶<sup>3</sup>tOmN\* 19 Yes,

In these turns attribution is still fairly straightforward, using substitution (tAvN 18) and ellipsis (tOmN\* 19), although a short turn may refer to many different topics. In the following case, turn hAvN\* 1 might be taken to refer by ellipsis to all the topic entities raised in turn hOmN\* 1 -- *data code error, computer malfunction, and employee relations*. Whether or not hAvN\* actually endorses hOmN\*'s view of the situation is another matter:

hOmN\* 1 ... First of all,-eh- there was a data processing mistake, right ?  
And a machine malfunction - right ? which resulted in a failure to process a payroll. And then you got, within the civil aviation department, you got this social problem with your staff which had to have meetings and everything which delayed the plane operation and [2 secs] that's how the facts are, right ?  
▶hAvN\* 1 Ah, that's right,

But there can be topic referent ambiguities for observer just as there are for interlocutors, as the following example shows:

pOmN 3 =that backup system malfunctioned as well, because of the incorrect data,  
pAvN 3 So we're actually talking about a combination of errors here, then, eh ?  
Clerical=  
pOmN Well we're  
pAvN 3 =error on our part plus -  
▶pOmN 4 Well, we're talking one error,  
pAvN 4 The main malfunction to start with, then,  
▶pOmN 5 We're talking the main malfunction, yes.

In this instance, since pOmN's previous turns had been exclusively about Aviation's data code error, it would have been logical to assume that

*we're talking one error* referred to that, but pAvN accidentally or deliberately interprets the turn differently, and pOmN goes along with this interpretation, thus supporting the shift in the topic.

In a few instances, negotiators can find themselves at cross-purposes, each thinking a different topic is the current one without the interlocutors realising that is the case until perceptible failure of reference (to a particular sum) instigates repair. In the following example, taken from *Agency*, the confusion is that one party thinks *sixty-nine* relates to the topic of the cost which the wholesaler Cobber pays the supplier, AquaScot, while the other party actually intends to refer to the wholesale price which Cobber charges the local supermarkets for the product. The words *price* and *cost* are ambiguous in this instance, and the complexity of the substantive content being processed contributes to a temporary confusion:

hCbN*	69	But the retail price is - is already sixty nine,
hAqN*	101	No, no, That's not the <u>retail</u> price,
hAqO*	53	That's - that's our price to you,
hAqN*	102	That's the <u>landed</u> cost,
hCbO*	28	Um-Hum,
hAqO*	54	Yeah, yeah; that's the landed cost,
hCbN*	70	Oh, yes, you - you are right,
hAqO*	55	Yeah,

Some turns raise topics that are not directly on the basic topic entity 'issues' list culled from the briefs, topics that enable argumentation by analogy, reference to past events, appeal to norms, etc. In these cases I have assigned the turn to the topic entity issue which the argument is meant to serve. In the example which follows, the nature of a data code error has earlier been illustrated by an attempt (pOmN 12) to activate a topic of common knowledge, i.e. the codes in one's bank statement. In the turn in the example, this 'bank' frame is revived. I have coded both the earlier discussion and this turn under the topic entity *data code error*, to which they stand in the relationship of illustration, or expansion.

- pAvN 66 It doesn't go out without proofreading.  
 pOmN 65 The bank teller as well -  
 pAvN 67 These don't go out without having a proof reading -

#### 4. 3. 3. 5. Uncertain

Generally when an utterance gives no guidance within itself as to topic, attribution by inference becomes fairly straightforward by looking ahead, as in the following two examples, where in each exchange the hearer's recognition of the topic being elicited -- very indirectly -- in the first-turn stimulus (as *employee relations problems*) is apparent in her/his following turn response.

VOLVO;

- vOmN\* 3 Yes, but do you think the disruption was only - was caused only by the - eh- lack of the payment ?  
 vAvN\* 4 Oh definitely, I'm sure. Eh - because -eh- in the morning everybody was - everything was working fine and it was only when the word started to go around the staff that -eh- there was maybe no payment on the salary that everybody started to rush off to the pay office (...)

-----

TRANSTEMA;

- tOmN\* 10 Yes. And - eh - you mean all that happened in the - all the problems at the airport actually, was because of this lost payment ? Is that actually so ?  
 tAvN 11 Um-hm, oh, yes. We - we have people who work for us; at the moment the morale now is very low because we didn't pay them, and they are very concerned why we didn't. (...)

In these examples the first speaker's indirect elicitation has succeeded in generating the desired topic. However, in some cases it is impossible to know what topic the speaker had in mind, either because the turn is interrupted before it gets to the substance, as ►' here:

- pOmN 13 Well, look; the - the proof can be supplied, Eh - I don't think there's any doubt about that, and then -eh-  
 ►pAvN 13 Well, we were I mean -  
 pOmN 14 We're - we're splitting hairs,

or because the utterance itself is too general.

- vOmN\* 2 Thank you for the letter, So - what really happened ?



In this second case, I didn't record the turn, since it occurred before the real exchanges of the negotiation had started. In some cases I assigned the topic that seemed most likely if there were any clues at all to go on, usually in the form of a topic that appeared previously or subsequently to be paramount with the speaker, i.e. future business in the following example:

tOmN\* 26 I had meant to make a little phone call to my - number - which was tOmN\*'s role-play device to get time to restudy his brief regarding future business.

#### 4. 3. 4. Non-relevant topics

Confining the topic entities to the list of bargaining objectives and pressure topics (as set out in Section 4.3.2. above) undeniably belies the complexity of the discourse, but nonetheless allows the discourse to remain more recognisable both in terms of dialogue and in terms of its ultimate purpose than when the coding reduces interaction to a series of up, down and sideways power moves. That said, in each interaction there were several utterances that were not classifiable in terms of the list of topics entities. These fall into two rough categories: metalanguage, and side issues. In these data, however, there were very few of the second category off-the-subject utterances; whether this is a feature of simulations, a result of high learning task consciousness, or a sign of experienced negotiators at work it is impossible to say without a wider sample of data, and the ability to compare simulations data to real-life data.

##### 4. 3. 4. 1. Metalanguage

I have treated metalanguage -- by which I mean references to the mechanics of negotiation or interaction itself, or references to language -- in three ways. First, if several exchanges were given over to meta-topics, calls for time out, for example, or discussion about how to interpret information in the briefs, I have indicated a break in the negotiation at that point, and resumed charting the topic flow when negotiation resumed (see tAvN34 - tAvO7, or pAvN10-pOmO4). Second, at times I coded the meta-topic turn, but assigned it to a topic to which I

felt it referred in a general way, usually the most recent or the most global.

(1)

pOmN 16 (...) Are you ready to walk out ? We're not sitting pat,

---

(2)

pAvN 17 Yeah, if - if - if it - if it can be proven that we were part to fault, part to blame for this then sure, you know, I wouldn't put the full blame on you,

pOmN Okay,

pAvN 18 Then we can reach some kind of an agreement,

The first of these was assigned to *present business*, on the grounds that it related to saving/endangering the present contract; and the second was assigned to *carriers' claims*.

Finally, where it seemed immaterial, I have simply left some hard-to-classify utterances out of the tally all together, although this happened very seldom, and mostly with the phatic exchanges at the very beginning of the interaction, such as these four:

vAvN\* 1 Okay, [*name vOmN\**] Thank you very much for coming today,

vOmN\* 1 Yes,

vAvN\* 2 You took the time,

vOmN\* 2 Thank you for the letter, So - what really happened ?

#### 4. 3. 4. 2. Side Issues

Sometimes utterances were made that referred to other business between the participants, and not to the negotiation at all. In the following example the dialogue by the two Observers (►<sup>1</sup>; ►<sup>2</sup>) seems to refer to arrangements for STEP course work after dinner, and to be quite apart from the negotiation being carried on by the two principal speakers:

vAqN\* 36 Okay, let's go through your | -eh- offer once again,

vCbN\* yes yes,

►<sup>1</sup>vCbO\* 4 [*to vAqN*] We'll put up in here,

►<sup>2</sup>vAqO 4 Yeah, everybody in here tonight, yeah,

vAqN\* 37 Eh - so you are asking us to cut the price by sixteen percent, (...)

These I have left uncoded, but in naturally-occurring negotiation it might be important to categorise both meta-comments and oblique

utterances since they may serve real purposes in the interaction, relieving pressure, establishing rapport, etc.

#### 4. 4. SUMMARY

This chapter serves as an introduction to the data to be analysed: to the mechanics and constraints of data collection, and to the nature of the participants and of their interaction. In the topic analysis which follows the initial aim is to explore and demonstrate one possible way in which negotiation speech events can be looked at and compared, based on identification of one language feature (topic management) suggested as important by professional negotiators, and using one context feature (negotiation goals) to first identify topic entities, then to trace the interaction by plotting which turns refer to which topics. Several questions about deciding when a topic is current in a turn, or how to handle hard-to-code topics, have come to light.

## CHAPTER FIVE: Topic Management in Negotiating Discourse

In dealing with cunning persons we must ever consider their ends, to interpret their speeches; and it is good to say little to them, and that which they least look for,

Sir Francis Bacon; Essay XLVII *Of Negotiating* 1597

### 5. 1. TOPIC FLOW PATTERNS

When turn numbers in negotiation discourse are listed under the topic entities they relate to, the resulting columns form the sort of topic traces or maps we have been discussing in Chapter Four. Such a map precedes each of the eight transcripts in the Appendix. The extract below, taken from *Volvo Contracting Out*, illustrates how they are laid out.

#### (1) [Volvo Contracting Out]

	CARR CLMS	COMP MALF	DATA CODE	\$2K PAYO	DEFT PENL	INDS RELS	FUTR BUSI	LIAB CLAU	PRES BUSI	CHK DATA
qualif agree	Av23			Av23						
=info		=Av23	=Av23							
=new prop	=Av23									
reject	Om									
	Av									
reject; info; t shift		Om25					Om25			
confirm chk	Av26									
confirm							Om26			
info; prop	Av27			Av27						
info	Om			Om			Om27			
info; prop							Av		Av28	
ackn									Om	
info	Av29			Av29						
topic shift							Om29			
reject; info	Av30						Av			Av30
prop	Om			Om30						
confirm chk	Av			Av						
confirm	Om			Om						
agree	Av			Av						
info	av			av						
agree	Av			Av						
agree	Om			Om						
topic shift							Av34			

The topic abbreviations (as listed in Section 4.3.2. of the previous chapter) head the columns. **Om** and **Av** indicate turns for the Omega and Aviation Negotiators respectively, while **om** and **av** indicate their

Observers' turns. Turn numbers are normally only indicated at topic shift. An 'equals' sign marks a turn that runs over, frequently after an interjection, but sometimes after a turn-internal topic-boundary marker.

#### 5. 1. 1. Linking pattern with speech and action: descriptive labels

Before discussing the patterns that show up in the maps, I should say something about the abbreviated notes in the left-hand column. These were not part of the original layout but were added bit by bit as an *aide-memoire* to help me identify how the map pattern related to the actual utterances of the interaction. Eventually these unsystematic notes evolved into a limited but mixed vocabulary of descriptions.

There are several questions to be answered in connection with these descriptive labels. First, are they not simply speech act names? The answer is yes, the majority are. It was impossible to identify a turn without reflecting the fact that as Ferrara says (1980b) a turn accomplishes at least one speech act. That being conceded, what about the problem of observer inference which topic management analysis is supposed to alleviate? Insofar as possible the labels used here aim at neutrality regarding the underlying motives of the speaker. I was conscious of observer bias, and the term *information* was an attempt to find an objective label for what would subjectively be called argument, explanation, justification, etc. *Proposal* was used to indicate turns that postulate commitments (for speaker or hearer) which would make a material difference in the *status quo* regarding the bargaining objectives or less tangible negotiating goals: a suggestion for a further meeting is described as a proposal, just as is an offer of a lower price. A term like *apology* was only used when context, utterance form, lexis and hearer reaction all support that assignment of pragmatic force, admittedly according to my culturally-determined set of felicity conditions for *apology*.

In any case there is a small set of pragmalinguistic descriptors which are most obviously highly dependent on observer inference: e.g. *ambiguous; qualified; vague; indirect*. I judge that defining criteria

have been established for these, based on formal language features in the utterances, (by e.g. Brown and Levinson 1987; Lyons 1977) but in my analysis I used them intuitively.

This brings up another question: why is the labelling here not more systematic? Some turns have no label, and it is obvious that in many cases the descriptions of turns are not based on the same criterion. Whereas one turn is labelled *apology* in reflection of the socio-pragmatic force I interpreted the utterance to have (also e.g. *propose; concede; reject; invite; agree; joke*) others are identified with the pragmalinguistic labels discussed in the previous paragraph, and yet others by *long pause* or *interrupt*, terms which in fact describe discourse mechanisms rather than social acts. Words like *acknowledge* reflect both a discourse act and a social one, bearing out the point made in Chapter Three that the line between socio-pragmatic and pragmalinguistic is difficult to draw clearly (similarly with *restate; summarize; expand; revive*). Two of the most commonly occurring of these last are *confirm* and *clarify*.

In fact as we have already pointed out in the general discussion of speech acts (Section 3.4.2.2. and 3.4.2.3.) one utterance's 'activity' pertains to several language systems simultaneously. To enable research comparison between one negotiating event and another, one would have to define superordinate categories of acts, perhaps socio-pragmatic, discoursal, grammatical/formal, topical, and pragmatic. It would be advisable (Sinclair and Coulthard 1975) to (1) choose categories precisely relevant to one's research targets, and within those, (2) ensure that the exact descriptors emerge from the preliminary analysis of the texts, rather than being preselected, (3) limit the number of descriptors in each category, and (4) define the criteria for each descriptor clearly. Each turn could then be described with a label from each of the categories, as with this (invented) example:



- A: Well, for stock levels couldn't we think about tying the sales targets to bigger
- B: We can't really talk about (...)

sociopragmatic	=	<i>propose</i>
discoursal	=	<i>incomplete</i>
grammatical	=	<i>interrogative</i>
topic	=	<i>stepwise shift</i>
pragmalinguistic	=	<i>indirect</i>

Long turns, where several actions are accomplished in sequence, might pose problems, solvable (as it was here) by dividing turns into sections.

Having made some initial experiments along these lines, I found I did not make sufficient use of the information provided by cross-tabulation to justify the time and precision required. Such systematic multiple labelling was over-detailed for the purpose of keeping in mind what was happening between negotiators at a given place in the topic pattern. I therefore put it to one side for a further research project where such cross-tabulation could be the foundation for more delicate levels of analysis. Incidentally, when the informal cross-check of topic-to-turn assignment was made, other coders were not asked to describe turns in this way.

#### 5. 1. 2.. Variation in topic pattern

In the topic maps, two main patterns are immediately apparent, i.e.

- 1 a scattered pattern where topics are introduced/dropped/revived/ and where few topics continue for more than three or four turns without shift or additions, and
- 2 vertical strings of one or two columns (i.e. of turns referring to one topic only, or to two 'paired' topics like *carriers' claims* and *\$2000 payout* in the map below) which continue with little or no topic shift for more than five turns.

Both these patterns are apparent in the example at the beginning of this chapter, the former in the first part and the latter beginning at about turn Om30.

### 5. 1. 3. Topic shift

The pattern is obviously a manifestation of topic status: the vertical string pattern is unbroken as long as one topic (or two in the case of closely associated topics) remain current. 'Current' is here interpreted in a loose sense, an informal adoption of terminology used by Brown and Yule (1983) for smaller units of analysis than turns as defined here. A turn may contain many utterances of varying length, and in cases where closely related topics appear in association with one another, a topic which is not overtly mentioned in one turn can nevertheless be considered to stay psychologically alive, if not *current* in the sentential discourse sense, for at least one further turn by virtue of its being carried implicitly by its companion topic/s.

Within these terms, the change from one particular string to another string, or from string to a more scattered pattern, is a change in the topic status. This can happen in various ways, but topic shift can be regarded as a place to look for those changes in the level of informativeness on a particular topic, changes which it was suggested might be a clue to agendas or priorities (see Section 2.3. in Chapter Two.) If topic shift appears in conjunction with a change in the overall pattern of topic flow from string to scatter or *vice-versa*, it may be the beginning or end of an impasse, a turning point or a breakthrough in Druckman's terms (1986; see Chapter One 1.4.3.)

#### 5. 1. 3. 1. Movement from string to string

This can be accomplished in several ways. First, the current topic can be dropped, and a different one nominated, giving a clean break, a **boundaried topic shift** (Atkinson and Heritage 1984: 165). Many of the turns where this happens show an explicitly marked topic nomination, as *pull you back* in this example:

(2) [Pieda Agency]

pCbN 77 Can I pull you back to the numbers ? You never really gave us the numbers, ( ... )

This overt topic nomination is sometimes a response to what is seen as the other party's aggression, as in the following example where hAvO tries to shift away from the **pressure topic** (i.e. intangible but influence-enhancing issue) of Aviation's *data code error* (▶<sup>1</sup>) back to the **material topic** (i.e. bargaining objective) of the cost of the £2000 manual salaries payout (▶<sup>2</sup>).

(3) [Hewlett Contracting Out]

hOmN\* 14 (...) We have had every month, but I mean we never know I mean if you change it or not, I mean it might happen that you on your side I mean  
 ▶<sup>1</sup> you decide to change this data code and we cannot discover if it's a mistake or not; that's a problem, [/ sec] You understand what I mean,  
 ▶<sup>2</sup>hAvO 7 Um-hm, But what we need to get back to is this two thousand pounds which - um - was a result of -

In other cases, the topic-shifting turn (below, vAvN\* 34, ▶<sup>2</sup>) fills the vacuum left after a topic-boundary (ending) marker like *right* in the previous turn (▶<sup>1</sup>).

(4) [Volvo Contracting Out] (interjections deleted)

vAvN\* 33 (...) So let's agree on a nine thousand five hundred dollar offset on the deal and -eh=  
 vOmN\* 32 nine thousand five hundred (...) Agreed,  
 vAvN\* 33 =we can consider ourselves satisfied, Yeah ?  
 ▶<sup>1</sup>vOmN\* 33 Right,  
 ▶<sup>2</sup>vAvN\* 34 Very good, And then I suggest we -eh- we take up the -eh- the future programmes together with a solution of the present problem next week,  
 vOmN\* 34 So you don't want to discuss the future now ?

Topic can shift as the result of an indirect topic elicitation in the previous turn, as is the case with a very indirect reference (▶<sup>1</sup>) to Aviation's *industrial relations problems*:

(5) [Transtema Contracting Out] (text deleted)

▶<sup>1</sup>tOmN\* 10 Yes, And - eh - you mean all that happened in the - all the problems at the airport actually, was because of this lost payment ? Is that actually so ?  
 tAvN 11 Um-hm, oh, yes, We - we have people who work for us; at the moment the morale now is very low because we didn't pay them, and they are very concerned why we didn't, (...)

In other cases, a **stepwise topic shift** (Atkinson and Heritage 1984: 165) is engineered, with (in the simplest version) the current topic being joined by another, which then continues on its own after one or more turns (i.e.  $A > A+B > B$ ) as in the following example where a current topic (*one of the areas = market share*) is joined by *sales targets* (►<sup>1</sup>).

(6) [Pieda Agency]

- pAqN 6 Um-hum, Um-hum, Yes, that's one of the areas we've looked at as well,  
 ►<sup>1</sup> Eh- Maybe if I tell you the - the- the targets we would expect to -eh- have met,  
 pCbN 7 Yes, let's talk about the targets that you've got,

Where two topics are current together, sometimes a third is added, at the same time as or just before one of the original ones is dropped (topic addition).

Occasionally topics appear to come out of the blue, and despite the practitioners' assurances that negotiators are used to abrupt topic shifts, and show a high tolerance in terms of Grice's maxim of relevance, they also say that at times abrupt shifts make negotiators suspicious. Certainly in these data unheralded topic shifts are often met with cautious barely-informative responses that would suggest a lowering in the level of trust/predictability. In the following example when vCbN\* shifted to the topic of *stock levels* (►<sup>1</sup>), vAqN\* gave first no response during a two second pause, then no more than a confirmation of the statement (►<sup>2</sup>) (for what follows, see Section 5.2.2.4. below)

(7) [Volvo Agency] (interjections deleted)

- vAqN\* 10 And you, I understand add up another thirty percent, so the average market price is= (...) =-eh- ninety dollars a case, (...)  
 ►<sup>1</sup>vCbN\* 9 Okay, -eh- I understand also that you are requesting I mean to hold us - I mean for us I mean to hold a - a big stock of Spring Water in Australia, [3 secs] I understand that your demand is for - for 6 months' [2 secs] stock,  
 ►<sup>2</sup>vAqN\* 11 Yes, yes. That's correct, Yes,

In other instances the surprised or angry reaction to an abrupt topic shift suggests some inhibition; the response utterance, signalling disagreement in one way or another, usually has the effect of scaring the original topic changer off, i.e. prompting repair, further information, moderation of demands, drop of topic, etc. In this example once met by

(apparent) incomprehension (►<sup>2</sup>) tCbN does not firmly follow up the introduction of *cost ex UK* (►<sup>1</sup>); by attempting to mitigate tAqN\*'s surprise at the topic introduction first by laughter and tag questions (►<sup>3</sup>), then by indirectness (use of question form, ►<sup>4</sup>), she opens the way for tAqN\*'s own firm commitment to his already-proposed price (►<sup>5</sup>):

(8) [Transtema Agency]

- tAqN\* 44 And for - based on the six-months sales of seventy thousand. [5 secs]  
 ►<sup>1</sup>tCbN 43 So that really just leave us to discuss -eh- the price per case,  
 [laughs]  
 ►<sup>2</sup>tAqN\* 45 What - what- The price per case ? [laughter]  
 tCbN 44 [laughing voice] I think that's all !  
 tAqN\* 46 Well -eh- very - interesting, yes, let's u-m-m-m - yeah, Yeah.  
 ►<sup>3</sup>tCbN 45 Yeah, I think that's right, isn't it ? [laughter]  
 tAqN\* 47 -eh- How -eh- [2 secs] yes ?  
 ►<sup>4</sup>tCbN 46 What were you - you -eh- [1 sec] What were you going to suggest on  
 that ?  
 ►<sup>5</sup>tAqN\* 48 You have got my suggestion, Or haven't you - yes; CIF price sixty nine  
 twelve=

If an attempted topic shift occurs and is not followed up by the ensuing turn, it is sometimes a sign that one party has missed or deliberately ignored a signal. This happens in the example below, regarding the nomination of *commitment to marketing* (►<sup>1</sup>); vCbN\* 6 nominates instead *cost ex UK* (►<sup>2</sup>) and it is 16 turns later before the topic is reintroduced. Coincidentally or not, the final outcome on this issue was that in this group unlike the others, AquaScot accepted responsibility for marketing efforts, although no financial details were worked out. (A fuller discussion of the *marketing commitment* topic follows in Chapter Six.)

(9) [Volvo Agency]

- vCbN\* 5 Okay, -eh- A few things, We'll talk later about this -eh- this -eh-  
 level production of sales, from Year One to Year - sorry, you want to  
 make it on four years, right ?  
 ►<sup>1</sup>vAqN\* 7 We think it would be possible, yes, and -eh- of course -eh- we have to  
 do some marketing efforts and we are prepared to assist you,  
 vCbN\* 6 Okay, -eh- before very long this sales scale I mean -eh- first of all,  
 ►<sup>2</sup> we'd like to talk about the price,

Finally, topic status can change by attrition rather than nomination, with one of a two-topic combination being dropped. This is not always





Movements from scatter to string are often attempts by a party to focus the discussion on a topic that they feel they need information on, or where they have some influence. In the example below vOmN\* tries (►<sup>1</sup>) to separate the two kinds of reimbursement being demanded (*in house costs = \$2000 payout; effect on clients = carriers' claims*) in order to work on the particular one (*carriers' claims*) for which Omega have decided it will be easiest to mount a case. The attempt is not very effective, since vAvN\* manages to argue irrelevance and ultimately to restore the original dual topic pair in turn vAvN\* 20 (►<sup>2</sup>):

(11) Volvo *Contracting Out* (interjections deleted)

- vAvN\* 18 (,...) We have as - as you see in our letter, definitely incurred costs on - on - on this account, and - and as you can see it divides up to - into two categories, which is - is -eh- is basically what we - what we have incurred of cost in house, but -eh- more severe the - the costly effect it had on our - on our clients, Which obviously reflects in - in -eh- reserved rights for covering their costs from - from us as well,
- <sup>1</sup>vOmN\* 19 But you - you have -eh- claims - you had claims before this -eh- thing occurred, You usually had claims from your customers, of course ? Every - every company has claims,
- vAvN\* 19 Oh yes, definitely, Yeah, yeah we have that, I mean it's - it's -eh- it's -eh- it's relationship in any partnership and working relationship, I mean faults occur and the claims come up, I would -eh-
- vOmN\* 20 What- what -eh- yeah,
- vAvN\* 20 Your normal claims; what would they be per week ?
- <sup>2</sup> Well, I - I think that for - for - for this issue irrelevant, Eh - in - in terms of -eh- the claims are pretty easily assessed to this occurrence, (...)

We will return to the subject of whether different kinds of interaction occur during the two different patterns, but first I want to say something about what I hypothesized could be the most revealing features of topic management as far as negotiation interaction was concerned.

#### 5. 1. 4. Significant movements of pattern

A minute examination of the topic pattern suggests many features salient to topic control. Self-turn follow-ons, for example, might emerge as important moments of concession or information disclosure due to the tendency, amply demonstrated by Conversational Analysis (Davidson 1984), to regard an irregular pattern at turn transition as a harbinger of a dispreferred response, and therefore a stimulus to work by

amendment, expansion, etc. toward the preferred (agreement) response. However even without such delicate levels of analysis, there seemed to be four aspects of pattern that were visible at first glance, and which to common sense suggested significant utterances or exchanges. These are (1) the introduction of a new topic, (2) long strings, (3) places of marked pattern change, and (4) multi-topic turns. The first of these will be discussed in the next section, after which we will consider further the factors of topic control, including the two kinds of pattern, and the significance of multi-topic turns.

## 5. 2. TOPIC INITIATION

The introduction of a new topic may enhance or damage influence in several ways. The first and most basic is by default: if a topic is not raised, it cannot become part of the bargaining, either as a material negotiation objective, or as a power lever.

### 5. 2. 1. Topic absence

Presumably the absence of a relevant topic indicates one of six things. First, negotiators may be ignorant of its existence or relevance. This may frequently be the case in naturally occurring negotiation discourse, but it is not possible for it to be the case for both sides in these simulations, because although one side may be denied information that the other side has, if the topic entity is in one of the three (general, buyer, seller) briefs, then it can be said to have entered the pool of potential knowledge, unless due to overload during pre-negotiation planning it has been overlooked.

Second, negotiators may underestimate a topic's relevance, and leave it unused. So far as one can see this does not occur in these simulations, but an example of this would be in car purchase, when buyers may fail to understand the beneficial bottom line implications of special loan arrangements which could offset higher purchase prices.

More likely than either of these is (third), negotiator incompetence at managing to bring a topic entity into the discourse, perhaps due to confusion, information processing demands, or poor time management; this seems a likely explanation for the absence of certain topics in the Hewlett Group's *Agency* case. In this interaction the topics of who is allowed to set local wholesale prices, and whether or not there would be a termination or revision clause in the contract, were never raised, although the first was discussed by Cobber during their in-group planning session, and the second was discussed in both groups.

Other topics may be avoided because of (4) discomfort about the topic for self (fear of an adverse reaction or accusations of violation of principle) or for the other party (sympathy, embarrassment on their behalf). However the most likely reason for a topic to be absent is because (5) the party wants to screen information connected with it which they estimate will diminish their influence. Provided the other side does not mention it, they will not do so either unless its absence becomes more tactically inconvenient than the dangers of revelation.

Finally, (6) there may be reasons for strategic withholding of a topic, keeping it in reserve for a particular contingency, or not letting the other side know that you know and seeing whether they bring it up, and if so what they will say on the subject. In this way a party can avoid the appearance of aggressive use of information unless or until it becomes necessary to call up the reserve. This may explain in Pieda group *Contracting Out* pOmN's late (turn 38) introduction of the *industrial relations problem* topic.

### 5. 2. 2. Topic introduction

In the simulations that form these data all but a few topic entities were eventually brought into the discussion in every group. With regard to introducing a topic, four things are significant: first, who introduces it; second, when it is introduced; third, whether it is introduced in connection with another topic, and fourth, how it is introduced -- in what form, producing what pragmatic force.

#### 5. 2. 2. 1. Who introduces a topic

Comparison of topic introducers in these data shows that pressure topics -- i.e. non-material ones -- are most frequently introduced by the party to whom they are not sensitive. In *Contracting Out* the topic of Aviation's troubled *industrial relations* was introduced by Omega, not by Aviation, in each of the four groups. It was not part of the general brief, and Aviation may have hoped that Omega would not know about it. In contrast, Omega's *computer malfunction* was mentioned first by Omega in two groups, and by Aviation in two; as it was raised in the letter of complaint which had prompted the negotiation meeting, Omega could not hope to screen it, and indeed had more to gain by apologising for it, as happened at topic introduction in *Pieda* group.

#### 5. 2. 2. 2. When topics are introduced

Material topics relating to bargaining objectives may be raised by anyone, but in these data are most often raised early as demands by the party who places a high priority on that issue. In *Agency* the high-priority tradable topics of an *exclusive distributorship*, the *NSW territory*, and *sales targets* were all raised in the first few exchanges of the interaction (mostly by the seller AquaScot), and the inhibition (to the buyers) topics of the *cost ex UK*, and *terms of payment* were raised somewhat later by Cobber in three of the four groups.

If a high-priority material topic is introduced early, and then largely disappears, analysing the last discourse on the topic will in some instances reveal that a major concession was made on that topic, thus removing it from package building and eliminating or diminishing its leverage potential. On the other hand, it may be lost in the confusion, or set aside until needed. An example of the second is the topic of *exclusive distributorship* in *Volvo Agency*, raised early and then sidelined until turn vCbN\* 44, when it was a factor in signal vAqN 40, and conceded in vAqN 44.

Where a topic is raised late (after one third or more of the total number of turns) it is usually either a sign of inhibition, or a signal that that is not a high-priority item for either side. However one can

think of tactical reasons for holding back a high-priority topic; in the case of *terms of payment* in *Agency*, Cobber might hope to get a firm commitment to the new territory before pressing on issues that would entail a change of principle and possible loss of revenue to AquaScot.

If a material topic is not raised in the first few turns, but is instead raised somewhat later, and by the party that does not stand to earn from it, it seems to suggest that the topic is being used as a form of threat. Discourse analysis showed this to be the case with the *future business* topic in *Contracting Out*, raised by Aviation to apply pressure in three of the four groups as illustrated in examples 12-14 below. The high face-threatening weight of the topic is attested by various kinds of indirectness (conditionality; vagueness; hedging; modality) used in Hewlett and Piedad groups to moderate the threatening force of the utterance. In contrast, Transtema opted instead for a barely-relieved directness that unnerved tOmN, and ultimately all but froze them out of future business in the final settlement.

(12) [Hewlett *Contracting Out*] (interjections deleted)

hAvN\* 12 What I see of this discussion now, that if we are going to do - to do some more business in the future so we have to look very carefully on - eh - the= (...) =contract we are doing, -eh- and eh, for the future, -eh- -eh- we have= (...) =to cover of liab- your liability to one hundred percent,

(13) [Pieda *Contracting Out*] (interjections and text deleted)

pAvN 7 (...) it -eh- we are a good customer of yours -eh- We have been talking too= (...) =of in- of possibly increasing -eh- our account with you,  
pOmN 6 Yes, we've had some discussions about that, that's true  
pAvN 8 Maybe maybe five fold, you know, [3 secs] and -eh- I know, you know, you wouldn't like to jeopardize that, It's - we would rather stay with with your firm if we can reach some kind of agreement on this, you know (...)

(14) [Transtema *Contracting Out*] (interjections and text deleted)

tAvN 10 (...) We don't want to go away from here losing= (...) =anything, If we go away and we've lost money, because of something which we did not control, then I would say there is a definite, almost certainty that we would not give you any other work that we've initially indicated that we could do in the future, (...)

In some instances topics are introduced so late as to lose their potential for contributing to the negotiation package building; this is the case in Hewlett group *Agency*, where the late introduction of the issues of *stock levels*, *cost ex UK*, *terms of payment*, and *local pricing policy* may have contributed to a disruption of the bargaining stage, a loop back to the debate stage, and consequently the eventual failure to get an agreement.

On the other hand it seems that in *Volvo Agency* vAqN\* took advantage of the time pressures, and by introducing *penalty clauses* (►') at the very last minute -- third last turn --, after agreement had been reached on other things, won a major concession regarding the right to terminate the contract or apply penalties.

(15) [*Volvo Agency*]

- 'vAqN\* 61 Yeah, - then -eh- we would like to have the option to terminate the whole agreement if you don't reach the target levels.  
vCbN\* 62 Okay, okay, We give it, okay.

This tactic -- if that is what it was -- did not work in *Transtema* group, where the late introduction of the same topic as part of a proposal package resulted in a twelve-turn propose/counterpropose string, culminating in no option to terminate the contract.

### 5. 2. 2. 3. Topics in relation to one another

We have said already that where topic entities are closely inter-related -- *cost ex UK*, and *terms of payment*, for example -- one expects often to see them introduced in tandem. But where two (or more) 'unrelated' topics are first introduced in the same turn, the nature of the topics suggests the pragmatic force which the speaker intends the combination to contribute to, and consequently the bargaining tactics s/he intends to employ. These may be defensive: hAvN\* (Example (12) above) introduced the indirect threat of loss of future business in response to the pressure of a long succession (27 turns) of argument first on who was liable for the \$2000 costs, and then (boundaried topic shift) on the role of Aviation's *industrial relations* problems in the events.



In other instances topics are paired so that offensive strength on one offsets weakness on the other, as in the following example where pOmN reasoned that a cause and effect relationship between *data code error* and *computer malfunction* nullified his party's liability.

(16) [Pieda Contracting Out] (text deleted)

pOmN 1 (...) - we do acknowledge that fact that our system did crash, No question about that. However, it was caused by incorrect coding, which was supplied by your department. Were you aware of that fact, sir ?

#### 5. 2. 2. 4. Topic focus at introduction

It may be interesting to see how the same topic was introduced in each of the four groups, and to match the mode of introduction with the outcomes for that item in the group. Let us take for example from Agency the topic of the *stock levels* to be held by Cobber. This usually appears in the topic maps paired with *sales targets*, because Cobber's brief stipulated that a tie-in between these two issues would be advantageous to them. In the following example the topic-referring expressions are italicised:

(17) [Hewlett Agency] (interjections and text deleted) Outcome: 4 mos. stock

hCbN\* 30 (...) We have to - to -eh- -eh- discuss and agree on - on -eh- several points before -eh- getting - getting -eh- a solution or an outcome, you see. And the - so the - the - I have in mind three - three -eh- steps, I should say; the - the - the representation was the - was= (...) =the first one; the - the question of *the price - of the price you charge us*, and= (...) =second was this terrific -eh- idea to - to dispatch a *six-months' stock* from Scotland, which is -eh- quite an amount of money; this is more than three million and a half - - approximately three million and a half. And -eh-

In this turn there is a fairly strong signal that the *stock levels* topic will be tied to other elements in the package, and that objections (bolstered by 'terrific', and the specificity of the amounts) are made to having capital tied up in warehoused stock. In the Pieda group there is an even stronger signal of tying together the related issues (►<sup>1</sup>), backed up by stating their entry point (i.e. two months' stock holdings) specifically (►<sup>2</sup>). However this is softened by several markers of solidarity and joint problem solving, notably the use of inclusive 'we'/'us' (►<sup>3</sup>):

(18) [Pieda Agency] (interjections deleted) Outcome: 2 mos. stock

pCbN 41 ... there are other considerations we'd like to discuss with you. One  
 ▶<sup>1</sup> of which is terms of payment, and the stock you're requiring us to keep=  
 (...) =with the kind of numbers we're going to be talking, big volumes,  
 we have a bit of a problem in paying for the goods when they're shipped  
 and we also have a bit= (...) =of a problem carrying - paying for six  
 months' stock at a time, when it's just= (...) =sitting there,  
 ▶<sup>3</sup> If we can work something out and get a little closer on price= (...) )  
 ▶<sup>2</sup> =would you be amenable to working with us on stock. For example, we'd  
 like to just= (...) =buy two months' stock at a time, and be billed -  
 We'll pay the freight, the freight will be collect, we'll pay for the  
 goods upon receipt in Australia. And again, this is also based on we  
 would come in at your numbers, which are again, almost double what we're  
 willing to do.

The third group decided on a different strategy, and hedged on their  
 real inhibitions (i.e. having the capital tied up, and fears of not making  
 the sales targets.) They relied on an ingenious argument (see Section  
 5.3.2.2. below for more discussion of this) and couched their logic in  
 very indirect, conditional language, including in the last clause  
 beginning *if* the acceptance of the other party's dominance (▶).

(19) [Transtema Agency] (interjections and text deleted) Outcome: 6 mos  
 stock, tied to targets

tCbN 13 =especially if we link it to -eh- if we link the shipments to the sales.  
 Because what worries us about that is that that could limit the  
 potential sales, if - if we -eh- go for a sales quota, and limit that  
 sale- the shipments to the sales quota,= (...) =and we get potential  
 sales above our quota, then we won't have the stock to meet the demand,  
 ▶ and so we think we could be far more flexible in that area, if you allow  
 us to be,

Finally, in the last group an abrupt topic shift from *local price levels*  
 to *stock levels* (▶<sup>1</sup>) leaves AquaScot guessing as to the relevance of the  
 follow-on, and this is augmented by a strong statement of positional  
 commitment in the next turn (▶<sup>2</sup>).

(20) [Volvo Agency] (interjections deleted) Outcome: 1 mos stock, tied  
 to targets

vAqN\* 10 And you, I understand add up another thirty percent, so the average  
 market price is= (...) =-eh- ninety dollars a case, (...) Today,  
 ▶<sup>1</sup>vCbN\* 9 Okay, -eh- I understand also that you are requesting I mean to hold us -  
 I mean for us I mean to hold a - a big stock of Spring Water in  
 Australia, [3 secs] I understand that your demand is for - for 6  
 months' [2 secs] stock,  
 vAqN\* 11 Yes, yes, That's correct, | Yes,  
 vCbN\* 10 That's correct ? | Eh - ? Now, I want - I mean, I want

p<sup>2</sup>

to mention that because I mean to tell you that on our side I mean we -  
we can hardly I mean accept to have a six months' stock in Australia, -  
eh- And I mean to me it's quite unreasonable, (...)

### 5. 3. TOPIC DEVELOPMENT

Once topics have entered the information pool, they can be developed in various ways, some of which we have already looked at. In Chapter Two we considered practitioners' suggestions for topic development, including the skilful use of questions as a safe indirect way of eliciting information while screening one's own priorities or inhibitions. Certainly the data from the STEP simulations show many instances of open question use, as well as the clarification and confirmation questions which we will be discussing further below. Open questions were often used as a means of getting the other party to reveal their interests by nominating topics. The negotiators in *Pieda Agency* were particularly practised in this and both pCbN (p<sup>1</sup>) and pAqN (p<sup>2</sup>) could employ the same tactic.

(21) [*Pieda Agency*] (text deleted)

- pCbN 3     Having read the case, we're as familiar with it as you are. Could you give us an idea of what you're looking for,  
pAqN 3     Well, obviously -eh- what we want to do is to come in quite heavily into the Australian market, (...) And -eh- So I think that's about - is our general area  
p<sup>2</sup>         for discussion on our part. Is there anything that you wish to let us know, particularly ?

#### 5. 3. 1. Topic frequency

Once a topic has become part of the shared knowledge of the negotiation it will only fulfil its potential in terms of the table power of the parties if it is kept alive. The connection between frequency of mention of a topic and the outcome regarding that issue appears to be direct enough to warrant further investigation.

An example would be the pressure topic of Aviation's *data code error* in *Contracting Out*. When tracked through the whole one-hour interaction in *Pieda Group* (where Omega emerged stronger) this was a topic in 25 turns

out of a total of 253 turns, but in the Transtema Group interaction (where Aviation came out stronger) it was only mentioned in 8 (out of 119) turns. Or again (also from *Contracting Out*) in Piedad Group 64 turns referred to the topic of *future business* as compared to 15 turns in Transtema Group. And in the Piedad group Omega won a million dollars' worth of new business, while Transtema Omega only managed to salvage their right to tender along with anyone else.

But mere mention of topic is only a rough guide, and simply tallying the basic topics in turns, while it is an excellent clue to the priority rank of material issues, does not give a very clear picture of successful/unsuccessful negotiation behaviour. To make proper use of topic frequency it is necessary to take at least some of the following factors into account: the total number of turns in a negotiating event, which party mentions which topics and in how many turns, how many of those turns maintain a current topic and how many renominate a displaced one. A rough tally of parties/turns/topics has been prepared for each case (see Appendix Sections 2 and 3). On these I have indicated the total number of turns a speaker devoted to a topic, further broken down into Initiation turns (I), Renomination turns (R) and Follow-on turns (F). The tallies did not seem consistent with outcomes but this may be because they do not indicate whether the turn entails new substantive information regarding the topic, or what the speaker's attitude was towards it. For that reason a tally of proposal turns, or information turns, might be a better indicator.

Finally, in the data we are looking at, how a topic is focused appears to be of at least equal importance to topic frequency. In *Contracting Out* when the topic of the *carriers' claims* against the aviation authority was addressed, in Piedad group the turns focused on the existence/non-existence of such claims, and Omega ended up paying no compensation. By contrast, in Transtema Group the majority of mentions were utterances about the amounts involved, coinciding with an eventual payout of \$ 18,000 by Omega.

### 5. 3. 2. Topic string pattern

Topic strings are the most dramatic manifestation of topic management, and the difference between the maps of the different negotiating groups in this regard is remarkable, with Hewlett *Agency* showing the most extended strings. The first investigative question this raises relates to what is happening during these strings. In these data, discourse which stays with one or two topic entities almost always turns out to be one of the following types of interaction: monofactorial bargaining, clarification and confirmation attempts, and general argument/debate. These we will consider in turn.

#### 5. 3. 2. 1. Monofactorial bargaining

The writers in Chapter Two counselled against settling one issue in isolation from the others. This is worth bearing in mind when looking at strings of monofactorial bargaining. In this type of interaction the exchanges, focused on one issue or two closely-related ones, entail straightforward bargaining, with proposals, clarification exchanges, and counter proposals. They end with rejections, concessions, or turn-outs when the issue is put to one side without resolution. The string may follow a multi-topic turn making a general proposal, in which case the next turn narrows the focus onto particular topic entities in the proposal, either because the speaker wants more information on something problematic, or because there is a tactical reason to isolate one item/pair. This latter may have been the case in the following exchange; in *Transtema Agency* this was the only substantial exchange about the *commitment to marketing* topic, and it was raised following a long unproductive series of clarification exchanges on *sales targets + stock levels* (see the discussion preceding example (26) in the Section following); tAqN\* may have chosen to move the interaction away from a long impasse by volunteering a monofactorial concession on marketing support (►') as a breakthrough that would get things moving again. It is interesting to contrast the relative directness of tAqN\*'s turn 42 in stating the initial proposal, with the indirectness (italicised) of tCbN's turn 41 in counterproposing; it turned out in the post-negotiation analysis that the deal struck on marketing support was 25 % short of tAqN\*'s exit point on this issue, which brings to mind the comments of



the practitioners about the advantage of 'strong language' -vs- 'weak language' in proposing.

(22) [Transtema Agency] (interjections and text deleted)

- tCbN 40 (...) - It - it would require a certain amount of investment to do that, there's no doubt about= (...) =it; you've got to -eh- What - what sort of -eh- terms were you thinking of ?
- tAqN\* 42 We have think about -eh- let me see, in - around two dollars per case to - to start -eh- this first initially support, and -eh- yeah, let me say that we do that for the first six months ? [2 secs] That we give you extra support of two dollars per case for this first six months, [2 secs]
- tCbN 41 We *were* -eh- *thinking* that it *would* -eh- *possibly be better* to -eh- to get the major impact, although six months is a short time, we *would be willing to agree* to it, because we *were considering* a year, -eh- I *think we could concede* that *perhaps it would be viable* over six months if we *could put a little bit more* money into it, if we went to *something like* -eh- three fifty, then you *would* -eh- *be more inclined to* [1 sec] -eh- widen the customer base, [2 secs]
- tAqN\* 43 We are talking about a six-month period, seventy thousand cases, and you said three fifty, that's made two hundred and forty five; that really is not in the - that's over my budget, So let's make it another calculation; two hundred ten, I have a budget of two hundred, Okay; I think I can arrange three dollars per case,

There is a temptation to see monofactorial bargaining strings as possible instances of distributive bargaining techniques, and there may be truth in that. Short strings of monofactorial bargaining seem to be part of every interaction, which bears out Putnam's (1985) theory that all bargaining is Mixed Bargaining, i.e. negotiation in which integrative and distributive bargaining are each present at various times and in varying proportions. However in these data her sequence of distributive first, integrative later does not seem to be adhered to in any systematic way. Many early strings were not bargaining strings *per se*, but one of the other types of interaction we will be discussing below. And in any event monofactorial bargaining very seldom resulted in concession. Instead, it seemed to be used for exploration; culminating shifts into other lines of argument were common, as here, where the topic pattern shown ended up with a stepwise topic shift from *stock levels* (►<sup>1</sup>) to *stock levels + sales targets* (►<sup>2</sup>):



## (23) [Pieda Agency]

	EXCV DIST	NSW DIST	RIV ALS	TRGT P, A, =Cb41	STCK HELD =Cb41	COST EXUK =Cb41	TRMS PYMT	MKTG PUSH	IMGE	MKT POSI	MARK UPS
prop				Aq	Aq	Aq	Aq				
prop		Cb42			Aq35						
		=Aq35 Cb			Aq36		Aq36 Cb				
clarify					Aq						
confirm Q					Cb		Cb45				
confirm					Aq						
ctr prop					Cb						
open Q					Aq						
info					Cb47						
p'					Aq40						
					Cb48						
p <sup>2</sup> s/w topic shift				Aq41	Aq41						

Text (interjections deleted)

- pAqN 40 Eh- [2 secs] well, we're not [2 secs] We're not bothered about sort of two month - two months at a time, -eh- ordering as such, -eh- It's just that on those sort of markups -eh- Well, we'll think - we'll think about that one for the time being, I think. So that you're suggesting is two months' stock at a time. Your holding -
- pCbN 48 Two month orders, Yes.
- p<sup>2</sup>pAqN 41 Yes, Yes. Two month orders, -eh- And you're willing for that to do the hundred thousand a year, doubling for four years.

In general, it required a broadening out of topic for there to be a proposal that could be agreed on. This may reflect the negotiating sophistication of the subjects, who seldom let items be picked off one by one, and whose serious proposals were often of the multifactorial type to be discussed in Section 5.3.3. below. In these data long strings which involve bargaining transactions indicate interactional problems. Such a pattern/topic combination may constitute one sort of impasse in Druckman's sense of the word (1986): when analysed the discourse in long bargaining strings often show one side trying to press agreement on an issue without allowing the other to bring in counter-weight topics.

The negotiating event in our data that shows the most marked instances of string pattern is Hewlett group *Agency* (Appendix Section 3), where the first third of the interaction is dominated by the *sales target* topic, which is succeeded by other topic strings (*cost ex UK; stock levels; marketing campaign*). The interaction moves into a more scattered

pattern after a multi-topic turn hAqN74, but after a 'time out' it reverts to strings on the topics of *local pricing policy* and *cost ex UK*. Analysis of the Hewlett Agency strings shows a great deal of monofactorial bargaining, which might be a factor in this group's failing to reach an agreement; certainly they ran out of time, which suggests that theirs was an inefficient negotiation technique. However much of their string pattern discourse was caused by a more common sort of narrow-topic interaction, *viz* clarification and confirmation.

#### 5. 3. 2. 2. Clarification and confirmation

By clarification I wish to indicate a request for or offer of further information, and by confirmation, the re-cap of shared knowledge. The distinction between the two is sometimes fuzzy, but the informational objective in both cases is to satisfy the need for both parties to interpret meaning in the same way (possible non-informational goals will be discussed below.) During clarification episodes the parties try to reach consensus on the facts or interpretation of the facts, sometimes with an intervening misunderstanding, sometimes as a result of an initial misapprehension, and sometimes merely as part of the usual information gathering (and attitude structuring) of negotiation. In these data clarification episodes are often, but not inevitably, quite short, and they display question forms, clarification and confirmation formulae, etc. The following clarification string includes clarification questions (vAvN\* 9, ▶<sup>1</sup>), clarification checks (not in interrogative form; vAvN\* 7 and 8, ▶<sup>2</sup>), and would-be clarifying statements (vOmN\* 7, 8, and 9, ▶<sup>3</sup>) on the topic of *data code error*.

(24) Volvo *Contracting Out* (text and interjections deleted)

vOmN* 6	(...) We got the wrong tax- week number from your - your staff, [1 sec]
▶ <sup>2</sup> vAvN* 7	Wrong - I have to get that again; wrong tax -
▶ <sup>3</sup> vOmN* 7	We got the wrong tax week number.
▶ <sup>2</sup> vAvN* 8	Tax week.
▶ <sup>3</sup> vOmN* 8	Yes, So therefore the - the computer run failed, [2 secs] So you gave us the wrong tax-week number, so it's not our fault really that the -
▶ <sup>1</sup> vAvN* 9	the - that things haven't - What does the - The tax week number is - is related to ?
▶ <sup>3</sup> vOmN* 9	You put in the tax week number into the payroll computer program to produce the payroll -eh- and the salaries for that week, and you gave us the wrong week number, so,

The next confirmation string is a complex example of nested insertions, associated often in these data with the agreement stage of the interaction. Confirmation questions and statements are interrupted by a short clarification exchange (beginning ▶<sup>1</sup>) after which final confirmation exchanges (beginning ▶<sup>2</sup>) occur.

(25) *Pieda Contracting Out*

pOmN 100 Do we have an agreement on that ?  
 pAvO\* 14 All our expenses ?  
 pOmN 101 Two thousand dollars.  
 pAvN 99 Two thousand, plus any claims which may be coming in, about which we'd also have -  
 pAvO\* 15 All we have - all claims coming in ?  
 pOmN 102 Yes.  
 pAvO\* 16 That's what you're saying; all - all -  
 pAvN 100 Plus the guarantee that if this were to happen in the future, there will no argument about the liability.  
 ▶<sup>1</sup>pOmN 103 Well, not all claims, because I mean we don't know what all claims are going to be, but up to twenty thousand dollars.  
 pAvO\* 17 Well I'd say=  
 pAvN 101 No, Yeah, I'm talking about -  
 pAvO\* 17 =Full coverage  
 pOmN 104 Well full coverage could be=  
 pAvN 102 Just, aside from this, if it were to happen again in the future -  
 pOmN 104 =a million dollars.  
 pAvO\* 18 No, it couldn't.  
 pAvN 103 With your people per- No, I'm not talking about - up to twenty thousand for this incident. If it were to happen again, there will be  
 ▶<sup>2</sup> something built in  
 pOmN 105 Full liability.  
 pOmO\* 21 Full liability.  
 pAvN 104 That's what I meant.

In all the groups, and at all stages of the interaction, a relatively high number of turns are given over entirely or in part to what I have interpreted as clarification and confirmation. This appears to indicate a heavy cognitive load in negotiation discourse, as well as the interlocutors' consciousness of the transactional nature of their discourse. That assumption could only be confirmed, however, by carefully comparing the frequency of this feature of negotiation discourse with its frequency in representative samples of general conversation, a comparison outside the scope of this thesis.

Clarification and confirmation were not mentioned by the experts in Chapter Two. However, the discourse skills used in clarification and

confirmation -- playback, reiteration, etc. -- are very like those recommended for the 'active listening' promoted by many of the writers as having tactical as well as informational value. Example (30) below shows how what are on the surface confirmation questions can be used as pressure towards agreement. In general, however, the tactical objectives are more benevolent: buying processing time (presumably especially valuable for low-proficiency FLS, although in these data both NLS and highly proficient FLS elicit clarification/confirmation frequently) and giving a chance to encode solidarity and reassurance. Unlike the monofactorial bargaining strings looked at in the section above, clarification and confirmation exchanges serve to refine proposals, to signal a change in levels of commitment, and to prepare for agreement, and they more often appear to contribute to predictability rather than to undermine it.

If a sequence of clarification utterances lasts through many turns, however, it is a sign of genuine misunderstanding or cross-purposes which usually ends in repair. An example of this occurs in *Transtema Agency*. It arises from a tactical decision on the part of Cobber to make more palatable their desire to hold a smaller warehouse stocks, by couching it in terms not of size of stocks held, but of tying stock levels to actual sales rather than to the sales targets being set by AquaScot. Whether or not AquaScot saw through the ruse from the start is unclear, but the avoidance of a direct answer (►<sup>1</sup>) obviously made them suspicious (►<sup>2</sup>).

(26) [*Transtema Agency*]

- tAqN\* 22 Um-hum, And -eh- what is your proposal in that line ?  
 tCbN 21 Well, that -eh- we obviously go for the hundred forty thousand target  
 ►<sup>1</sup> but we don't limit our potential sales by -eh- linking the shipments to  
 that; we would -eh- ma- make the orders for the shipments based on the  
 sales that we actually achieve.  
 ►<sup>2</sup>tAqN\* 23 Mm-m - what will that means ?

Advice was tendered in Chapter Two that negotiators should pretend to misunderstand statements that encode unwelcome information. On the other hand Cobber's proposals are couched in very non-specific language, which the practitioners suggested could easily interfere with

communication. Whatever the underlying motives of Transtema AquaScot in pursuing enlightenment, Cobber's proposition certainly prompted a very long string (c. 30 turns) of clarification exchanges, which eventually involved direct questions about comprehension, and attempts by tCbO\* to interpret and to gloss. Finally, having missed two signals (pAqN\* turns 27 and 28) that AquaScot were in fact willing to lower the stock demands to only four or five months' supplies, the string ends with a further narrowing of the topic to *sales targets* only, and a general agreement to these. Cobber made a total climb-down on their objectives, ending up with the status quo ante regarding stock holdings.

#### 5. 3. 2. 3. General argument/debate

Clarification exchanges were often insertions in the argument or debate episodes in the negotiation, that is in the attempts to justify or explain why certain demands were being made, or (more frequent) why demands could not be met. This argument function was responsible for many of the instances of string pattern in the data; the sequence generally followed was first, the putting of some sort of a proposal possibly introduced by and sometimes followed by justification and/or explanation. This would be answered by resistance from the other party, also involving justification or explanation. On the question raised by the experts of whether it is more effective to put the proposition first and the reasons after, or *vice-versa* (see Chapter Two Section 2.2.3.3.) this data gives no answer: some propositions were phrased one way, some another, no individual negotiator seemed consistent in which way s/he did it, and neither topic order seemed to produce consistently rejecting or accepting responses.

If the original proposition had been multi-factorial, it was frequently the case that the debate response picked on one or two of the factors only, and this was a common type of turn for initiating change from a scatter pattern to a string. In other instances responding to a proposal was avoided by a boundaried topic shift onto another issue, as is the case in the extract from *Transtema Contracting Out* shown below, where a previous multifactorial proposal (tAvN 10) including a hint about losing future business was countered by the introduction of the

pressure topic of Aviation's *industrial relations* (▶<sup>1</sup>), starting a 10-turn debate string on this topic. This should have been an influence-enhancing tactical use of topic, but tOmN\*'s indirectness in handling the topic (▶<sup>2</sup>; ▶<sup>3</sup>) apparently weakened its impact, and the string ends with Aviation's bounded topic shift (marked *all we're saying is...*) back to their demands for compensation for *carriers' claims* (▶<sup>4</sup>):

(27) [Transtema Contracting Out] (text deleted)

- ▶tOmN\* 10 Yes, And - eh - you mean all that happened in the - all the problems at the airport actually, was because of this lost payment? Is that actually so?
- tAvN 11 Um-hm, oh, yes. We - we have people who work for us; at the moment the morale now is very low because we didn't pay them, and they are very concerned why we didn't, (... 9 lines of text deleted)
- tOmN\* 11 Oh, I - I can see that they are angry, but -eh- isn't it possible that -  
▶<sup>2</sup> eh - you had some problems, even before that accident, the accident?  
Because we have - [/ sec]
- tAvO\* 1 No,
- tAvN 12 No, no, Everything's
- tOmN\* 12 Because otherwise
- tAvN 13 We - we've - if there had been any problems prior to this one then they would have manifested and we would have had the disruption. But we have had no disruption whatever, I can't see any indication at all where - eh- you can think that, (... 4 lines of text deleted)
- tOmN\* 13 And - Well, - in - in our opinion, we think  
▶<sup>3</sup> it's a little overreaction, actually, for this, and -eh- we suspect, are pretty sure, that there must have been problems earlier and that this may be what's the causing effect, but it shouldn't - the impact - the impact shouldn't have been big, in case we didn't help problems - within the whole situation,
- tAvN 14 That's something I don't know; I don't know, I mean that's something we don't know. We'll never know that. All I can say is - for sure - when they didn't get their wage, then they took the action they did.
- tOmN\* 14 -eh- Okay. That we knew.
- tAvN 15 I - I - I can't honestly say that - certainly we'll take your advice, and we'll go back and we'll talk to the people to find out if there was any other extenuating circumstances why. I mean this is the first indication we've had of this. Our standp - our- from the - from the information we have, there is no indication at all that there was ever any problems. None whatsoever. But, we'll take your advice= (... interjection deleted) =all we - all we're saying is, from our letter and  
▶<sup>4</sup> from today's meeting, is that we want to cover the costs. The indicated costs at the moment are estimated at twenty thousand; the actual costs to the Depart- Department are two thousand. (...)

One of the deficiencies of the system of tracing used in the maps in this thesis is that it does not indicate the duration of turns. Laying



out the topic traces in such a way as to indicate the relative length of turns in terms of time and/or number of words could perhaps be even more informative regarding the type of interaction that is occurring; clarification turns in strings were often quite short, but those turns that involved debate were often very long, including several repetitions and rephrasing of the main points of argument, as in turn hOmN\* 11 in this example:

(28) [Hewlett Contracting Out]

- hAv0 3 Um, Do I understand that what you're saying is that you have no responsibility therefore for the -
- hOmN\* 11 Of course we have responsibility to process the payroll, we have responsibility of course I mean to, by processing the payroll by data, - eh- to have -eh- our equipment running in good condition, but again of course I mean we may - we may know have been specialising in data processing that one computer can fail one day, what we have to do, we always have I mean to have this equipment in double, just to make sure that we can offer you the same service as we are offering right now, right? Eh- we know by experience that sometime it might happen, that's the reason why we have all our equipment I mean double or sometime in three - three- even more computers, [indistinct] Which is a quite costly operation because I mean we have one computer working full time and sometimes one other computer is not working at all, just because it's easier I mean for in case of there is a failing in the main computer. So it's a heavy investment I mean for Omega because - just to offer good service to your department.

One had the feeling that length and repetitiveness were particularly great where a party was bluffing: an example of this is tAvN's disclaimer of industrial disquiet in Example (27) above, repeated at even greater length in turn tAvN 22 (approx 315 words) and turn tAvN 23 (110 words). On the other hand, certain individual negotiators were more long winded than others by nature, irrespective of the content or function of their utterances. As this seems to have been the case with both tAvN (NLS, British) and hOmN\* (FLS, French) it does not seem to be a factor of English native-speaker pragmatics, but may be culturally determined nonetheless: the Swedish negotiators in the STEP data tended to make shorter turns than the others, an observation supported by the systematic measurement of the 'Negotiating in Spain and Scandinavia Project' (Fant 1989).

Most of the argument strings were attempts to refine and adjust the information so as to effect an alteration in a proposal, and as was said above, many of these strings ended in a counter-proposal or the restatement of the original proposal, with or without changes.

Frequently this involved a transition from string to scatter pattern, as the monofactorial debate was widened out into a multifactorial proposal. In such a proposal, the presence of more than one (or two) topic/s might -- but did not always -- indicate that the utterance encoded conditionality, tying two or more topics together in a log-rolling attempt, as for example with *it depends* here:

(29) [Volvo Contracting Out]

vOmN\* 27 Well, You know that's a big amount of money for us to pay, Ten thousand five hundred at -eh- It depends also on the future of course, on future projects.

Since these attempts to log-roll often involved complex multi-factorial proposals, it is frequently the case that an argument string ends with a shift into scatter pattern, as argument yields to trading.

### 5. 3. 3. Scatter pattern

#### 5. 3. 3. 1. Multi-topic turns

The phenomenon which chiefly sustains a scattered topic pattern is the multi-topic turn, in that it tables several current topics that a response can address, and it links topics together in some logical way that ensures that they can be easily revived by inference, pronominal reference, etc. even when they have been backgrounded for one or two turns. Looking at the maps of the various interactions, it occurs to one that the frequency of multi-topic turns might correlate in some way or ways with negotiating skill. A rough tally of multi-topic turns in the STEP data yields the following:

*Contracting Out* Tally of multi-topic turns (\* = FLS)

<i>group</i>	<i>Omega</i>	<i>Aviation</i>
Hewlett	* 9	* -
Pieda	12	3
Transtema	* 1	6
Volvo	* 2	* 2

<i>Agency group</i>	<i>Cobber</i>	<i>AquaScot</i>
Hewlett	* 7	* 12
Pieda	20	12
Transtema	16	* 11
Volvo	* 10	* 10

There does not seem to be a remarkable difference between NLS and FLS in these tallies. However as regards final payoffs it is noticeable that in the two groups of *Contracting Out* which had widely different outcomes (Pieda and Transtema) the party that came out on top has a NLS chief negotiator, who framed many more multi-topic turns. This is one aspect of negotiation language that bears investigation, and we will raise the subject again in Chapter Six. It is interesting that the *Agency* case, with more material objectives and fewer pressure topics, engendered more multi-topic turns. This accords with a lower number of argument sequences, and a greater number of material proposals and counter-proposals in that case, as well as with the greater use of conditionality in proposing. One would not want to place too much faith in the significance of the present tally, however, because some multi-topic turns shown are in fact merely agreements to or acknowledgements of a previous multi-topic turn; the skill (if such there is) lies not in saying 'yes' to an inferred package of topics, but in framing utterances where the relationship between topic entities is made clear. This would have to be shown to occur before one could estimate how much significance to give to the frequency with which certain negotiators have multi-topic turns. And interpreting the analysis is complicated by the cohesive nature of discourse; a negotiator may not have to tie topics together in her/his turns if the opponent consistently does the job for both of them. Finally, whether or not a turn is seen as multi-topic rests on the assignment of topic-to-turn, which as we saw in the

last chapter is not an exact science, but depends on observer judgement at least some of the time.

### 5. 3. 3. 2. Function of multi-topic turns: arguing and proposing

On the whole multi-topic turns address one of three basic pragmatic needs: persuasive argument, proposing, and summarising. These functions are often blended in a particular turn. In the case of argumentation, the turn will typically either set out the issues as the speaker sees them (usually a sequential pattern), or present arguments or rebuttals (using the pressure topics to reinforce the material ones). Bearing in mind what the practitioners say about the frequency of long utterances in the presentation stage of negotiation, it is not surprising to find that these multi-topic argumentation turns often serve as initial presentations of a party's case. In the example following, the presenter hOmN\* not only ties several issues together in his long multi-topic Initiation turn, but uses what are formally clarification questions (marked ▶) and words like *facts* and *of course* to bully the other party into acquiescing to the factuality of his view of the situation:

(30) [Hewlett Contracting Out]

- hOmN\* 1      Ok, first of all we have the late receipt of your letter, which we received quite recently; that's why I mean we have a meeting today, to discuss about your different points I mean you express in your letter, and to talk in details about what happened last month, Right? So I think that we should start I mean -eh- to assess the facts, to see exactly what happened last month, First of all, -eh- there was a data processing mistake, right? And a machine malfunction - right? which resulted in a failure to process a payroll, And then you got, within the civil aviation department, you got this social problem with your staff which had to have meetings and everything which delayed the plane operation and [2 secs] that's how the facts are, right?
- hAvN\* 1      Ah, that's right.
- hOmN\* 2      Okay - you agree on that, right?      On this presentation, Okay, so - eh-
- hAvN\* 2      Yes, But further on we have had a lot of problem with the -eh- carriers too, [2 secs]
- hOmN\* 3      You had a lot of problem with the carriers because of the, of the -eh- social problem you had in the airport, right? Of course I mean the operations were disrupted, so of course you couldn't provide the same service to the carriers as you -eh- as you are doing I mean -eh- in the normal -eh- working conditions, Okay?
- hAvN\* 3      [2 secs] Okay! [laughter]

As well as topic initiators, multi-topic turns frequently appear as signs of the 'argument loop' referred to by the trainers, where a feeling of not being understood either as far as fact or of importance of fact prompts a negotiator to re-state the party's case. The following example of explanation/justification comes from quite late in the interaction.

(31) [Volvo Contracting Out] (interjections deleted)

pCbN 101 We don't want to - It'll depend a lot on each year; we may not be able to take those increases. Like, right now, the market's growing but there's a lot of competition. Prices are stiff, and we can't raise the prices. The only reason we're asking for a bit of reduction the first two years is to get the product established in the= (...) =market share place, and give us the margin to spend on advertising. Don't= (...) = think - think of it as the extra dollars going in our pocket; it's going into advertising, which is going to help both of us in the long run.

On the other hand the following is a good example of the way in which an earlier shift to a two-topic prompt (pAvN 91) concerning *carriers' claims* and *\$2000 payout* is broadened out by Omega's multi-topic turn to tie in *industrial relations* (▶<sup>1</sup>); *computer malfunction* (▶<sup>2</sup>), and *data code error* (▶<sup>3</sup>). The result is to shift Aviation away from making their demands (Aviation in control) to defending themselves against being to blame for the trouble (Omega in control.)

(32) [Pieda Contracting Out]

▶pOmN 93 ... -eh- we acknowledge no responsibility for whatever claims may be settled from the various carriers. Our information is the fact that you have had no claims. If you have had some, sir, -eh- that's regrettable; however, I wouldn't say - you know, it's - it's the price of doing business. -eh- Obviously you have labour problems, that has to be settled as well. -eh- That's part of your carriers claims, and you have to look at that as a separate issue, not with us, but with your labour unions, against this problem with the cheque run. Your dispute with the carriers, caused by your labour relations, you should be claiming against the union that walked out, sir; not us. We didn't leave you high and dry. We had a back-up system which failed because of  
 ▶<sup>1</sup> incorrect coding. We were looking after your interests; we had two systems that failed because of information that was fed to us  
 ▶<sup>2</sup> incorrectly. Claim against the labour unions.  
 ▶<sup>3</sup> pAvN 92 You also missed it, so that's what I mean

In the case of proposing the multi-topic turn can make, amend, summarise, seek to clarify, or agree to a complex package of settlement,

and it is here that the use of conditionality, ambiguity, etc. may be crucial. The following examples show how functions can be combined. They also demonstrate some of the many ways in which conditionality can be encoded in proposals, as with *prepared to... if* (►) here:

(33) [Pieda Contracting Out]

pOmN 94 Claim against the labour unions. You get your twenty thousand from  
 ► them. We're prepared to consider some settlement on the two thousand  
 dollars only, and I stress only, if there's something else in it that is  
 ► of mutual benefit to you and I. If we can supply some peace of mind as  
 far as liability is concerned in the future, we are prepared to put it  
 in the new contract; we are prepared to put additional clerical staff  
 on, we do have the backup system, we have the primary system, we can  
 reduce your - your labour payroll in the future; there are so many  
 benefits, sir, so many benefits

In this next example the hypothetical conditional is used: *for [X] ... would be agreeable to* and *...would be ready to, but in exchange need [X]*.

(34) Hewlett Agency]

hCbN\* 59 So - so for- forty, for- we would be - we would be -eh- -eh- we would be  
 agreeable to - to - to come back on the - on the stock. We were  
 requesting -eh- we were requiring -eh- no stock at all; we would be  
 ready to accept the four months' you - you - you proposed, but in  
 exchange we definitely need a reduction in the price.

In Ex. (35) the conditional across many topics is expressed by *if we get ... you get*, much compounded:

(35) [Hewlett Agency]

hAqQ\* 35 See ? [laughs] Not bad, eh ? [laughter] [2 secs] If we get sixty  
 nine point twelve, and the target, you get four months' stock only,  
 instead of six months, and we get payment at arrival, and you al- we  
 also contribute with two dollars per case in marketing efforts.

And finally, in the example below there are several conditional devices:

(1) explicit marking *...on condition that...* (►<sup>1</sup>); (2) *If you want [X], we have to...* ; *I can accept that if/provided that ...* (►<sup>2</sup>), and an implicit conditionality (3) *we want ... one months' stock, we start with ..., we agree for one million bottle* (►<sup>3</sup>):

(36) [Volvo Agency] (interjections deleted)



- ▶<sup>1</sup>vCbN\* 54 Seventy five, and then reach eight hundred thousand by Year Five. With the condition of course that -
- vAqN\* 53 Sorry, once again; by Year Five ?
- vCbN\* 55 We reach eight hundred thousand as you want to us,
- vAqN\* 54 Well, because of the New South Wales, -eh- we would like rather to see the volumes to be [3 secs] one - one million,
- vCbN\* 56 One million !
- vAqN\* 55 Yes, instead of eight hundred thousand. [2 secs]
- ▶<sup>2</sup>vCbN\* 57 If you want to do that, I mean we have to reduce the price. I mean, forty eight dollars is just not acceptable to sell one million bottles. And naturally it= (...) =depends on the conditions. I mean we - we said that here; I mean, we want a letter of credit, -eh- a price of forty dollars, one month's stock, we start with seventy five thousand cases a year, we agree for one million bottle,
- vAqN\* Yeah -
- vCbN\* 58 Will you accept that ?
- ▶<sup>2</sup>vAqN\* 56 I can accept that if -eh- at a price of forty eight dollars, provided that you take care of the marketing,

### 5.3.3.3. Multi-topic turns as summaries

Proposals in the STEP data show few explicit performatives like *we propose, we offer or we agree to*. In fact the proposals in the examples above have much in common with summaries, in that they are expressed as lists of items. However straight summaries are often announced as such before they are made, as in the following examples (marked ▶). This seems likely to be one of the ways of confirming what stage the negotiation has reached, since in these data summaries are made at various times, sometimes as information consolidating exercises during trading (Example 37), and sometimes as the formal rounding off of the agreement stage when one by one the various issues are referred to (Example 38):

#### (37) [Transtema Agency]

- tCbN 66 I think - I think we've got -eh- quite a good basis to write an agreement on. Shall we |run through what we've -
- ▶tCbO\* 9 |I think it would be a good idea to maybe sum up the |
- ▶tCbN 67 |Yeah, if you sum exactly what we've -eh- agreed to,

#### (38) [Transtema Agency]

- ▶tCbN 73 Oh, all right then, [laughter] So what have we got ?
- ▶tAqN\* 70 |Yes, We go through the agreement -
- tCbN 74 |We will be the sole agent |Yes,
- tAqN\* 71 |Yes, Start with the first year for one hundred and forty thousand -eh- cases. To a price -eh- of fifty

- tCbN                    five twenty, or forty eight plus fifteen percent, and you will during=
- tAqN\* 71                fifteen
- =the first year do your best to rise the price from your today sales price ninety, with fifteen percent, which means -eh- ninety plus fifteen percent; one hundred and three and fifty. And that is the difference between these two of thirteen fifty, and of this thirteen fifty you take twenty-five percent, that's mean three thirty eight, and we get the other one,
- tCbN 75                And - in addition to that you will give us three dollars a case,
- tAqN\* 72                Yes. For - for -eh- marketing support. And we're talking about six=
- tCbN                    marketing -
- tAqN\* 72                = months' period, and after that we will - we will take up the discussion to see how we - how are we - how it's - you manage it and what we can do with it, so forth,
- tCbN 76                And how - wh- what we can do next, Yes,

Example (36) above shows that there is often a very fine line between a summary and a proposal. In fact in some instances a formally-announced act of summary can be turned into the occasion for squeezing out a little more on the agreement (►<sup>1</sup> and ►<sup>2</sup>):

(39) [Pieda Agency]

- pAqN 108                Right. So what you're saying is, just to clarify whilst - whilst we're working the final figures out - what we're saying, to work the final figures out, is that you would take -eh- one fifty in the first year, rising to one point four; it'd be fifty - fifty eight, fifty eight, sixty, and sixty five
- <sup>1</sup>pCbN 118              Sixty three,
- pAqN 109                Sixty five, and you'd guarantee those -eh- figures, the - the one fifty, one point four, [4 secs]
- <sup>2</sup>pCbN 119              If you can come to sixty three, we'd guarantee those figures, sixty three in the fourth year,

#### 5. 3. 4. Topic development in turns

Up until now we have been concentrating on the pattern of topic selection, and commenting in passing on the content of certain turns that appeared in the examples. However I would now like to turn more directly to supporting the contention that language contributes to success in negotiation as much as tactical and strategic planning.

To do this, I would like to consider some early turns from the two groups whose outcomes were in greatest contrast, i.e. Pieda and Transtema *Contracting Out*. These were referred to in Section 4.2.3.2. of

the previous chapter. Although the exchanges in question occurred early in the interactions, already there were significant differences in how topics are handled, and the discourse shows language features which bring in to question the value of coding or interpreting intention without a means of noting what the actual effect was, and without the ability to measure what caused that effect.

Contrast for example the references to the \$2000 payout and *carriers' claims*, about which Transtema Aviation made specific and concrete demands (italicised below):

(40) [Transtema Contracting Out] (interjections deleted)

tAvN 4 Pointing out the problems we had, and - you obviously know how strongly we feel (...) about it. Eh - what we're looking for from you is some form of compensation. Eh - We - *we need to be able to cover our costs entirely by yourselves. We must have that. And we're looking to have what liabilities we have for the airlines themselves, which we indicated in our letter, (...) -eh- twenty thousand pound. And, (...) we're looking also for the cost to ourselves, which was two thousand. Two thousand is immediate; we expect to go from here with that money. Twenty thousand pound within a - a- a- say, one month.*

Even the terms of payment ("immediate... within one month") for the different claims were made concrete, and the only non-specific reference to the claims, "some form of compensation", was immediately re-expressed in precise terms.

In contrast, Piedad's Aviation negotiator, perhaps uncomfortable about bluffing, made demands on the same topics in much more vague terms (again italicised):

(41) [Piedad Contracting Out] (text deleted)

pAvN\* 8 (...) Possibly -eh- we [pause 2 sec] like we said, we - we are out the two thousand in - in cash. We actually did have -eh- *costs above that. That's basically the figure we got from Omega, is two thousand. We have incurred some other costs over that but we - you know, we're willing to absorb those rather than trying to dig them all up and pinpoint all the separate costs. Eh - we definitely would like the two thousand reimbursed. We did feel you know the original fault was the machinery going down. [pause 3 sec] We have -eh- contacted a few of the carriers; -eh- we might be able to negotiate some of the liabilities down, but we want your company liable for as much of that, you know, as it - it seems is going to come in to us. [pause 2 sec]*

The lack of specificity and high use of modality contrasts not only with his opposite number in Transtema (Example 40), but also with his opponent's counter-argument, couched as direct and on-record face-threatening assertions of Aviation's contributory fault (Example 42 below.) pAvN\*'s use of emphatic lexis like "definitely" doesn't sufficiently mask his signals that this was not a high-priority issue to his side: they were "...willing to absorb" some costs, and they might be able to negotiate some of the liabilities down, signals which pOmN picked up on in reply (►):

(42) [Pieda Contracting Out] (text deleted)

pOmN 7 I have to take issue with a few of the comments you've made, -eh- First of all you said that we've established the fact that it was a malfunction error, one error on our part, and I thought that you had agreed to the fact that it was a coding error, caused by information that was supplied by your department. (...) Also, you mention the fact that you've had some discussions with the carriers and you may be able to negotiate their settlements down. It's my understanding sir that you have no claims yet -eh- from any of the carriers. Is this - Do you have claims from the carriers ?

This specific and argument-supported attribution of blame is very different from that of Transtema Omega (indirectness markers italicised):

(43) [Transtema Contracting Out]

tOmN\* 6 Things like this happen. And actually it wasn't *entirely our* fault, as you had given us the wrong data, the wrong week, so - eh - we cannot - we *don't feel* we have - are *entirely* responsible for what happened. You must have a *part of* what *would be* your blame too,

In both Groups, then, politeness strategies of indirectness had the effect of altering the pragmatic force of utterances and diminishing their level of commitment. What might be coded as an attack on the basis of semantic sense (*you are liable; it was your fault; we want payment*) was in fact treated by the hearer as a signal of weakness.

Other differences are also noticeable. In terms of syntax, influential discourse in these groups seems to include more short utterances "We must have that"; "We didn't have the correct information" and a more aggressive use of question forms: "Do you have claims from the carriers ?" Both questions and statements ("It's my understanding sir

that you have no claims yet ...") can be reinforced by intonation, while even fairly concrete statements are rendered tentative by hesitations and pause fillers:

(44) [Pieda Contracting Out]

pAvN\* 8 (...) Possibly -eh- we [pause 2 secs] like we said, we - we are out the two thousand in - in cash. We actually did have -eh- costs above that,

(45) [Pieda Contracting Out]

pAvN\* 9 We have gotten a few in. Eh - the - the main thing we- we really have not seen proof of the error that, you know, it was our error that caused your machine to crash. Eh -

This difference in force is apparent throughout both interactions. The following are the utterances in which the topic *carriers' claims* were substantively mentioned by Omega's negotiator in each interaction (preceded by the turn numbers)

(46) [Pieda Contracting Out] (text deleted)

pOmN 8 Also you mention the fact that you've had some discussions with the carriers and you may be able to negotiate their settlements down. It's my understanding sir that you have no claims yet -eh- from any of the carriers. Is this - Do you have claims from the carriers?

+ + + + +

35 Well, I - I think, you know, looking at the carriers' claims, which again I must stress the fact that we understand that there are none at the present time

+ + + + +

38 (...) And again I must go back to the fact that we understand that you have no claims as yet, sir. -eh- My company has no liability on that, and that I - I have to stress. Categorically. We will accept no liability for any claims that you may receive now or may have received or may receive in the future. Eh - that's not a point that we really can discuss,

+ + + + +

93 (...) we acknowledge no responsibility for whatever claims may be settled from the various carriers. Our information is the fact that you have had no claims. If you have had some, sir, -eh- that's regrettable; however, I wouldn't say - you know, it's - it's the price of doing business. -eh- Obviously you have labour problems, that has to be settled as well. -eh- That's part of your carriers claims, and you have to look at that as a separate issue, not with us, but with your labour unions,

+ + + + +

99 We get a new contract for hundred percent of your business, a liability clause built in, a discount to cover any out-of-pocket expenses that

you're going to have because of possible claims -- which could be zero, exactly, plus we give you the=

(47) [Transtema Contracting Out (text deleted) ]

tOmN\* 9 Yeah; no - no - no - no doubt -eh- we have made that mistake; we're quite aware of that, and - eh - but - eh - about the cost base; how did you really reach that figure, twenty thousand ?

+ + + + + + + +

16 =I'm sure we'll find some way in between here, But -eh- we find it -eh- pretty tough with -eh- paying twenty thousand and we have a feeling -eh- that -eh- you should - that you have a little of responsibility for this accident, actually= (...) =and I don't think that we should take all the responsibility with it,

+ + + + + + + +

18 Well, we can agree on the two thousand at once, that 's -eh- quite okay. We - in - and -eh- I shouldn't make any - it seems to be a - a realistic claim, -eh= (...) =but -eh- I should suggest that -eh- we split the other part, [2 secs] You say twenty thousand, We are willing to pay within this year, ten thousand ?

+ + + + + + + +

29 we= (...) =could agree to your -eh- if you - from your first proposed twenty thousand if we say eighteen thousand on that, and there will be negotiations about our future cooperation [indistinct].

### 5. 3. 5. Topic analysis and language performance skills

The examples in the section above display contrasts in the language used by two negotiators whose settlements were very different. It appears from these data, both the examples above and the others given earlier, that on the whole directness in making demands, rather than indirectness in screening inhibitions or averting face-threats, is the more influential language use. Of course some might argue that the successful negotiator in question (pOmN) may have had a natural advantage, being a North American and 'born to' an aggressive style of interaction. But his opponent pAvN was also North American, and did not frame the same number of bald on-record utterances, indeed was no match for his opponent. Moreover earlier examples from other groups showed FLS (Example 22) who were direct (and successful) and NLS who were not. The degree of directness adopted seems to be a matter partly of presuppositions about effective bargaining, and partly of individual style. How direct an individual is also depends on other factors. For example it may be affected by what the opposition does; this could only be tested by having the same negotiators working against various



opponents. Judging from the analysis of these data, the nature of the case has a bearing; the *Agency* case did not seem to produce as aggressive a bargaining style in its negotiators as *Contracting Out* had done earlier, and this may have been due partly to the absence of 'pressure' topics like fault and error, and partly to the heavy processing demands of all the material bargaining objectives. We saw in Chapter Two that some writers felt aggression to be highest in the early stages of the speech event, with adrenalin later being channelled into the work of bargaining and keeping track of the details. That goes some way towards explaining why -- at least in simulations, where time is limited, a high number of material objectives seems to promote a more brisk bargaining style in successful groups, with more proposal/counterpropose exchanges, and fewer debate exchanges.

Is it significant that in the two cases contrasted above the more successful bargainer was an NLS of English? In the last chapter we said that the language proficiency of the NLS subjects in these data was too high to produce examples of obvious language deficit. There were certainly examples of language difference, but these were largely at the level of phonology, and almost negligible at the level of syntax. They may have been more marked at the level of socio-pragmatics. One difference between NLS and FLS negotiators which this analysis pointed up was the willingness to bluff. In those *Contracting Out* groups where the negotiators were NLS, virtually all the turns dealing with *carriers'* *claims* involved bluffing. We have seen this in the section above with regard to pOmN; this negotiator constantly stated that evidence existed that there were no claims, although neither the General nor Omega's private brief indicated this. Presumably the strategy was to try this out, and see what happened. When AvN\*'s response was not a strong denial, pOmN pressed home the advantage whenever possible. The same level of bluffing was employed in the Transtema group, but on the other side. tAvN used directness to reinforce Aviation's demands for compensation for carriers' claims (which we know did not really exist), bearing out the practitioners' suggestion that for negotiators one of the signs that seem to convince people that there is genuine commitment is directness of speech. But he also bluffed regarding the state of

employee relations. This was not supported by directness, and might have been given away by the rather round-about nature of most of his utterances on the topic, had that not been compensated for by the fact that the topic was most often revived by himself, not by tOmN\*. Obviously this willingness of tAvN to address what looked like a influence-diminishing topic was sufficient evidence of truth to counteract the clear information in tOmN\*'s brief that there were industrial relations problems.

In neither of the other two *Contracting Out* groups, nor in the *Agency* groups, were the Scandinavians seen to bluff in any committed way, and the French attempts to bluff were local, i.e. one or two utterances, and not consistent campaigns. Instances of topic nomination indicate the Swedish negotiators to be more at home with the substantive trading content of the cases, and less comfortable with debate or attempts to apply pressure; there are several examples of their explicit attempts to pull the discourse back on to the facts and figures, and away from argument. The preference for task-oriented talk bears out findings regarding Scandinavian negotiators showing what Fant (1989) calls "high external directedness" in comparison to Spanish. This sort of difference in negotiating focus shows up clearly when one topic is followed through its turns, to examine the exchanges --cues and responses-- and particular speakers' parts in them. This we will do in the next chapter.

### 5. 3. 6.      **Analysing topic control: contribution and potential**

Discourse analysis may ultimately prove pivotal in negotiation research, revealing new evidence about how negotiation works and corroborating evidence presented by other research disciplines. In this respect, I believe that with development, tracing topic control can be a short-cut to certain research objectives, a way of organising and focusing studies. The observations made in this chapter suggest that tracing the topic entities which represent negotiating goals helps the analysis of negotiating behaviour in the following ways.

#### 5. 3. 6. 1. Specific investigative targets

First, by looking at the over-all topic traces one can see at macro level

when topics enter the pool of shared knowledge for the negotiation event, who introduces them, how often they are 'active' in the interaction, and which party is interested in keeping them so. Depending on the topic, that may indicate priorities or inhibitions, and willingness to be aggressive where pressure topics are concerned. The maps also show where narrowly focused discussion is occurring, on what topics, and how prolonged it is, which may be a sign of argument loops or attempts to force agreement on single issues. They show, by highlighting the multi-topic turns and rapid shift from topic to topic, how adept parties are at keeping various topics 'working' for them, both in package building and in applying pressure.

Second, topic patterns identify the types of exchanges (initiation, shifts, multi-topic turns), to be analysed at more time-consuming micro-level, and (in any data under investigation) the locations of examples of those types. In these STEP data detailed turn-by turn analysis revealed discourse features which confirmed the existence and function of some of the phenomena discussed by the practitioners reviewed in Chapter Two. But going this far raises many intriguing questions, and only with further investigation and more cases for comparison will the mechanics of such phenomena become less mysterious. For example negotiating theory about stages, information management and interpersonal relations can be tested by looking at topic development; one might, for example, investigate whether or not the frequency or type of a particular language feature (such as e.g. question forms) changes as the negotiation event goes through various stages, or whether the turns on a particular topic display different cohesive form types (say additives superseding conditionals) as an issue moves from exploration, through contention, towards agreement.

There is enough evidence in looking at the topic maps of the eight negotiation events here recorded to hypothesize that certain patterns of topic control associate with certain types of progression. Strings seem to indicate a phase of consolidation or stalemate in terms of information and attitude, and scatter pattern to indicate a more purposeful forward progress, past transition ('crisis' in Druckman's

terms) points and on to another phase. In addition certain patterns seem to occur most in association with certain actions, scatter pattern with presentation of one's demands (across a wide range of topics), strings with debate and clarification, scatter with proposing, bargaining, and summarising.

#### 5. 3. 6. 2. Caveat

There are problems. The simulations data which this thesis examines have permitted a close comparison of different groups in a manageable interaction with a limited and clearcut set of issues. But relevant topic entities will be harder to establish post event for naturally-occurring data. Even for simulations data this study would have benefited from more reliable criteria for assigning turn to topic, based on more methodical attention to referents and other cohesive devices that connect utterances to one another. A way of indicating the length of turns is required. And we have already in Chapter Four discussed the need for well-thought-out sets of 'speech act' labels for categorising turns according to the various formal, functional, pragmatic, or discursual analysis features. Which set of categories are relevant depends on the targets of research, and exactly which categories make up the set depends on the actual occasion/s of speech being analysed. It

will never be possible to eliminate observer inference, but such criteria will curtail the range of possible interpretations, and enable researchers more reliably to compare sequences, numbers of instances, and patterns of speech acts between different negotiation events or different stages of the same event.

The drawbacks of topic analysis have been shown by the analysis above to be more than balanced by the advantages. Through close analysis of the language of negotiating turns relevant to a particular topic, and by correlating that with the success or failure of a party in their negotiating goals, a clearer idea of what constitutes 'good' negotiating language has begun to emerge. However this is not to say that it is possible to point to a single 'best' way of bargaining. 'Best' for certain successful negotiators in our data might not have worked so well against a different opponent. Effective negotiation language must

depend on a multiplicity of factors: individual personality, domain, the nature of the issues at conflict, the style of the opposition, the extent to which both parties share the same negotiation 'frame', and how well one has been prepared for the task. That idea of preparation -- teaching and training people to negotiate both within and beyond their normal cultural boundaries -- will be taken up again in the last chapter.

#### 5. 4. SUMMARY

This chapter has demonstrated how topic management can be used effectively as a first guide in the identification of important issues and significant exchanges in negotiation discourse. In the simulations analysed in the chapter two significant patterns are visible, a string where more than four turns in succession topicalize one or two entities only, and a scatter pattern where several topics are foregrounded and backgrounded. We have demonstrated that the former is commonly associated with exchanges of monofactorial bargaining, with clarification/confirmation exchanges, and with debate. The scatter pattern is associated with persuasive argument, proposing, and summarizing, multi-topic (i.e. more than two) turns which are a feature of this pattern serving to combine issues in a way that contributes to negotiating success. Topic shift occurs at moments of tactical importance; important factors in this regard are when, by whom and how a topic is introduced, how it is revived, and what other topics it is coupled with in skilful package building.

## CHAPTER SIX: Evidence of Pragmatic Constraints

Use also such persons...as are fit for the matter, as bold men for expostulation, fair spoken men for persuasion, crafty men for inquiry and observation...  
Sir Francis Bacon: *Of Negotiating (Essays, 1597)*

### 6. 1. TOPIC DEVELOPMENT AND DISCOURSE FEATURES

#### 6. 1. 1. Objectives

Chapter Five concentrated on patterns of topic control and what they tell about the interaction. Following on from that broadest level of analysis, this chapter has two objectives: first, to show at a more detailed level of analysis how, once a topic is nominated, topic development relates directly to the negotiating goals of the bargainers, and second, to point up potential correlations between certain discourse features within turns and the achievement of negotiating goals (see Section 6.1.2.3. below.) The features particularly focused on will be those already discussed in Chapter Two: commissive speech acts, indirectness, discourse interaction, and question forms. To achieve these two objectives, we will look how each of the four groups manages one bargaining issue, and in the light of what that analysis reveals, will consider at the end what general conclusions can be drawn about the use and impact of the various language features.

#### 6. 1. 2. The *Commitment to Marketing* issue in *Agency*

Using the topic trace maps as a first guide, one might identify discourse to be analysed at the next degree of delicacy by choosing to concentrate on one particular interaction, one feature as evidenced in all interactions (say, question forms), one sort of turn (say, topic-initiating, or topic reviving), one speech act (proposal; summary) or any topic in an interaction/ several interactions. In this case I have chosen the last of these alternatives. The following analysis relates to one



particular topic entity identified in the *Agency* simulation, i.e. the commitment to a strong marketing effort in Australia -- including mounting specific marketing campaigns -- for Aquascot mineral water. This topic (referred to hereafter as *marketing*) was chosen for the three reasons expanded on below: it was manageable in terms of demonstration, it was an issue that negotiators could use in a variety of tactical ways, and it was resolved in a range of outcomes across the four groups. Extracts of maps and transcripts relating to the topic are placed together in Section 4 of the Appendix for ease of reference.

#### 6 1. 2. 1. Manageability: number of turns

As this was not a central topic, it did not arise in as many turns as (say) the *sales targets* or *cost ex UK* topics. This made it more feasible to get an overview of topic management throughout an entire negotiation and across the four groups. The number of turns coded as referring to this topic in the different groups were as follows:

	<i>single topic</i>	<i>paired topics</i>	<i>multi- topic</i>	<i>Total Mkting</i>	<i>TOTAL TURNS</i>
<b>Hewlett:</b>	23	10	8	39 (14%)	279
<b>Pieda</b>	6	3	9	18 ( 7%)	259
<b>Transtema</b>	12	4	2	18 (11%)	162
<b>Volvo</b>	4	13	9	26 (20%)	128

We will look at further breakdowns of these numbers later in connection with outcomes in the four negotiating groups. However I stress again that it would be a mistake to place too much emphasis on the mere numbers of turns in which the topic is raised, for reasons mentioned before. Whether or not a turn refers to a topic is often debatable, so the tally is approximate at best. Also, topic-mentioning turns are not all of equal importance to the final outcome regarding that topic, some references to the topic adding nothing of substance to the information pool, and others being no more than cohesive references to previous utterances. This is demonstrated by the obvious differences in contribution between the flagged utterances in the examples that follow.

In the first one, the speaker shows that he has interpreted the previous utterance as a commitment from Cobber to assume responsibility for marketing (►<sup>1</sup>). By doing so, he significantly alters the shared information about possible outcomes, and simultaneously signals his altered view of the relative influence of the parties on this issue.

(48) Hewlett

- hCbN\* 50 With the -eh- -eh- big campaign we -eh- or a big promotion we made these last few weeks, we should be able to -eh- obtain or to - to - to reach the goal -eh- [2 secs]  
 ►hAqN\* 68 [softly to hAqD\*] Okay. [aloud] What you're saying is that you will obtain the marketing cost yourself then,

In contrast to this, the turn flagged (►<sup>2</sup>) in the next example does little to alter the informational or interactional position of the parties on the *marketing* issue, it being chiefly an acknowledgement and confirmation of substance added in the previous turn.

(49) Transtema [text deleted]

- tAqN\* 43 (... ) I have a budget of two hundred, Okay; I think I can arrange three dollars per case,  
 ►<sup>2</sup>tCbN 42 Three dollars a case, [2 secs]

The third example is of a turn where no new substantive propositions are made with relation to the *marketing* issue itself, but where some change in the interaction may nevertheless result from its being used as a pressure topic (►<sup>3</sup>) to support a lowering in *cost ex-UK*.

(50) Pleda [text deleted]

- pCbN 101 (... ) Prices are stiff, and we can't raise the prices. The only reason we're asking for a bit of reduction the first two years is to get the product established in the market shar- place, and give us the margin to spend on advertising. (... )  
 ►<sup>3</sup>

Thus a simple tally of how many turns refer to an issue is insufficient; topic reference is the first rough guide, but closer analysis is needed to determine which party is more skilful at managing that topic.

#### 6 1. 2. 2. The negotiating potential of the *marketing* topic

The second reason for choosing the *marketing* topic was that it could be either regarded by participants only as a material issue (entailing specific material/monetary objectives), or in addition as a pressure topic designed to give added leverage to other material demands. The briefs regarding this topic were as follows:

GENERAL BRIEF: [*marketing* topic entity not mentioned]

AQUASCOT CONFIDENTIAL BRIEF:

"While you believe that Cobber are capable of servicing your distribution needs in the Australian market, you are not sure that they are fully committed to doing so (...) they are apt to regard your product as an 'extra' on their lists (...)

"You are prepared to support a strong marketing effort of up to \$ 4 per case (...) to give your product an up-market image, initially as an investment, and subsequently, when sales reach sufficient volume, out of the increased sales revenue (perhaps partly funded by Cobber). You must have the distributorship in place and operating before committing resources to marketing, as any disorder in distribution could adversely affect the image you wish to develop."

COBBER CONFIDENTIAL BRIEF:

"AquaScot is one of the leading (...) spring waters you distribute (...) but [it] requires a stronger marketing effort to widen its appeal. (...) If AquaScot were to make a major marketing effort you are prepared to consider an exclusive distributorship agreement, but you want to extend the offered territory to New South Wales. (...)

"(...) Your main concern is the quality of AquaScot's commitment to marketing, given your experience of them in the past, (...)"

Since the *marketing* topic is not raised in the general brief, each party is presumably expected to regard it as part of their 'hidden agenda'. The confidential briefs engineer a conflict of interests, in that AquaScot are instructed to settle details of the distributorship before making a financial commitment to marketing, while Cobber are told to make a distributorship agreement dependent on first getting AquaScot's commitment to a major marketing effort. This dictates a close interrelation between the issues of *marketing* and *exclusive distributorship*. In this discourse we would therefore expect to see

bargaining goals reflected in discourse ties between the two topics, and a certain amount of hedging in utterances concerning the topics as negotiators try to force commitment from the other party while holding back themselves. I hope to show in this analysis that negotiators' skill in tying issues together to get something of value, and in hedging about their own commitment, is a central element in the outcomes they can get. Before turning to the closer analysis of each group's discourse, where hedging will show up, we will look first at the various ways each group maintained this tied connection between *marketing* and *distributorship* in at least some utterances.

#### 6. 1. 2. 3. Tying issues together - topic partnerships and mechanisms

In the following turn the grammatical form indicates a conditional **conjunctive relation** between the two topic entities (the word 'proposals' referring anaphorically to a settlement package, including two-dollar marketing support, summarized in a previous turn hAqO\* 35) :

(54) [Hewlett Agency] (text deleted)

hCbN\* 61 (...) we would be agreeable to your - maybe to [name hAqO\*]'s nice proposals, if on the other hand we obtain the -eh- full representation. The expression *on the other hand*, usually felt to encode a contrastive relationship between two propositions, in this utterance seems to be more additive than contrastive (i.e. "on the one hand you do this for us, [and] then on the other hand we will do that for you"; see Halliday and Hasan 1976: 247). Perhaps there is an intuitive sense of compatibility between the notion of conflict and the notion of contrast which makes this expression seem appropriate even when conditionality, not contrast, is the logical relationship between two propositions.

The next example, from Pidea group, demonstrates the way that topics may be tied by the **sequence and mechanics of topic transition**. In this case the shift from *marketing* to *distributorship* was engendered stepwise, in the following stepwise sequence:

- pCbN 14      *exclusive dist + targets* (►<sup>T</sup>)  
 pAqN 14                      *targets + marketing* (►<sup>M</sup>)  
 pCbN 15                      *marketing*  
 pAqN 15                      *targets + marketing*  
 pCbN 16                      *marketing + exclusive . dist.* (►<sup>P</sup>)

The turns that bring the transition round full circle are these:

(55) [Pieda Agency] (text deleted)

- pAqN 15      (...) I mean obviously what we're looking at is a - is a huge increase  
 ►<sup>T</sup>              in your business if -eh- -eh- we go through with this contract, -eh- [2  
                  secs] Because of the - of the - of the potential there is there. So as  
 ►<sup>M</sup>              I said, what I'd like are some kind of reassurances and ideas on your  
                  part what you would do sort of to market the product and -eh- redouble  
                  your efforts,  
 ►<sup>P</sup>pCbN 16      Well, we could certainly look into - with an exclusive arrangement -  
                  with putting more effort into it, I guess I was wondering, do you have  
 ►<sup>M</sup>              an idea that you're willing to commit thirty percent more resources than  
                  last year in advertising? Or where do you stand on advertising costs  
                  and things like that?

In the first part of pCbN's turn the exclusivity of the agency appears as an insertion patched into the middle of the hedged (*we could look into ...*) commitment to put more effort into marketing. Tidied up, the repaired sentence might look like this:

*With an exclusive arrangement, we could certainly look into....*

With such a grammatical structure the implicit cohesive relation is certainly one of conditionality.

The next example shows a WH-cleft construction (►<sup>1</sup>) being used to specify the relationship which exists in the speaker's mind between one topic and the other (*X is what we need*). This construction, not mentioned in any of the negotiation literature, is seen in several examples in this chapter.

(56) [Pieda Agency] (text deleted)

- <sup>1</sup>pAqN 45      One fifty including New South Wales. What we would need for that would  
                  be some= (...) =kind of idea of what sort of marketing input and  
                  advertising input you're willing to put in to guarantee those sort of -  
                  eh-

►<sup>2</sup>pCbN 53 Well, if we get New South Wales, [2 secs] and we could work on price, that would give us more of a margin to spend on advertising, (...)

pCbN's reply uses conditionality (as in example 54 above) to join two desires (regarding *distributorship* and *cost ex uk*) to a very vague commitment on marketing, the utterance-initial *well* (►<sup>2</sup>) signalling relevance but not wholehearted agreement with pAqN's desire for a strong commitment. These signs of indirectness were treated as a lack of enthusiasm by AquaScot, who countered in the following turn (pAqN 46) with a reminder of the existence of rival distributors in the field.

In Transtema group, *marketing* was first introduced as the last element of logical argumentation in a multitopic turn (tCbN 37). It was continued in AquaScot's reply (tAqN\* 39) as a pressure topic, with a general reference to their own good history of market support. Cobber chose to see this as a signal of commitment, since they made it an opportunity to press for a more firm agreement regarding the exclusivity of the distributorship (cause - ►<sup>1</sup>) and hence improved marketing efficiency (effect - ►<sup>2</sup>):

(57) [Transtema Agency]

tCbN 38 Do you - do you agree though that -eh- it would be to our mutual advantage to have a - a country-wide marketing campaign, with us as your  
 ►<sup>1</sup> sole agent, because then you would get the maximum return on the one  
 ►<sup>2</sup> marketing policy [*smiling voice*], if you see what I mean,  
 tAqN\* 40 It sounds interesting.

Finally, Volvo group presents examples of ways in which the connection between the two topics and others was used in a quite complicated way to pursue hard bargaining tactics. vCbN\*'s lexical tie (turn 19) between *sales targets* and *marketing* (the former being described as 'based on' the latter) prompted the complicated multi-topic turn (vAqN\* 21) given in the example below, in which a reference to intransigence over a suggested desirable (to AquaScot) rise in the local wholesale price levels (►<sup>1</sup>) is followed by a veiled threat in the form of a reminder of the rival distributors (►<sup>2</sup>), then capped by a return to the suggestion



to raise the prices (▶<sup>3</sup>), on which marketing support might be contingent (▶<sup>4</sup>).

(58) [Volvo Agency] (text deleted)

- vAqN\* 21 Well, if we look at the fifty thousand -eh- volumes, then, and at a  
 ▶<sup>1</sup> retail price of ninety thous- -eh- ninety dollars, then -eh- really  
 ▶<sup>2</sup> it's not much in it for us, because -eh- we have as you perhaps know  
 other distributors which we are negotiating with, and -eh- in that case  
 I don't think we can -eh- give you any additional marketing support, so  
 ▶<sup>3</sup> -eh- -eh- if you expect the price to be -eh- raised by let's=  
 vCbN\* 20 That's a problem.  
 ▶<sup>4</sup>vAqN\* 21 =say -eh- ten dollars then we can discuss how much marketing efforts -  
 eh- we can put

The chain of conjunctive relations between elements in this multitopic turn are expressed by the cohesive markers *if...then*, *then*, and *in that case* (conditional) and *because* (causal). and its complex grammatical realisation testifies to the language performance skill of the speaker.

In the final example, vCbN\*'s on-record pressing for a commitment on the issue of *exclusive distributorship/NSW* (▶<sup>1</sup>) was greeted by a two second silence, an abortive start (-eh- we ), and after another one-second silence a hedged (...could very well consider...) and conditional commitment tying *sales targets*, *cost ex UK*, and *marketing* (▶<sup>2</sup>):

(59) [Volvo Agency] (text deleted)

- ▶<sup>1</sup>vCbN\* 44 What about the New South Wales ? I mean, are you prepared I mean to  
 give us the sales ? [2 secs]  
 vAqN\* 40 -eh- We [1 sec] could very well consider -eh- the New South Wales, but  
 ▶<sup>2</sup> that would of course -eh- give some indication on the expected volume  
 (... ) -eh- the price, and again, -eh- taking the marketing support into  
 consideration, we have -eh- the marketing costs, which we have to - to  
 cover,

Where *marketing* is paired with only one other topic, the associated topic is most frequently *sales targets* (10 turns), *cost ex UK/terms of payment* (8 turns), or *stock held* (4 turns), not *distributorship*. It is noticeable that with two exceptions, all of the turns where *marketing* and *distributorship* are tied are multi-topic turns. Linking devices include wh- clefts, logical connection, cause and effect, and choice of

lexis like 'based on'. In most cases however, the cohesive forms linking the topics are ones which express conditional or causal relations. Whether they were aimed at gaining material support for marketing, or were using the *marketing* issue as a lever to make the other party concede more on another issue, the number of multi-topic turns in which the *marketing* and *distributorship* topics were tied indicates that this was the preferred way for negotiators to pursue the directives of their briefs to make commitment to marketing a prerequisite to giving/accepting the agency.

#### 6. 1. 2. 4. Outcomes in different groups

The third reason for focusing on the *marketing* topic entity was the fact that among the four groups the final outcomes on the issue covered a range from good for AquaScot, through fairly even handed, to good for Cobber. This in theory should enable us to achieve the second of the stated aims for this chapter, viz. to confirm, at least provisionally, any apparent correlations between certain discourse features and achievement of negotiating goals.

From the briefs quoted above, one may interpret the goals suggested to AquaScot and to Cobber on this issue as being

- A that this issue is to be of medium priority, less important than *targets* and *costs ex UK*, but of greater urgency than the right to set local price levels, or the existence of a termination clause in the contract.
- B that agreeing to/granting a distributorship is to be contingent upon getting some concrete assurance as to commitment to forceful marketing. (i.e. exit point for both sides is that no marketing commitment means curtailed distributorship.)
- C that the entry point for each side is that the other party take responsibility for mounting and managing a marketing campaign.
- D that for AquaScot, the entry point regarding financial

contribution to this marketing campaign is nil, and the exit point is a contribution of \$ 4 per case.

In the event, the final outcomes regarding marketing were as follows

HEWLETT: Cobber agreed to be responsible for arranging a marketing campaign, but AquaScot undertook to contribute \$ 2 per case in financial support.

PIEDA: Cobber accepted full responsibility for the administration and funding of marketing in the future (a complete reversal of the previous arrangement between the two companies).

TRANSTEMA: Cobber agreed to be responsible for arranging a marketing campaign, with AquaScot contributing \$ 3 per case for the first six months, then reviewing the position.

VOLVO: AquaScot accepted full responsibility for the administration and funding of marketing in the future.

The groups who achieved a near win-win settlement of this issue were Hewlett and Transtema (the former, however, breaking off negotiations without an over-all agreement) although in neither case did the Cobber party press AquaScot all the way to their \$ 4 exit point limit. In Pidea group, Cobber was persuaded to alter their exit point on the issue of getting AquaScot's commitment to marketing before undertaking the distributorship, and in Volvo group AquaScot gave up not only the principle of no agency without Cobber's marketing commitment, but their \$ 4 ceiling on marketing expenditure as well. That, coupled with the fact that they agreed to sell at a lower price than previously, may in part account for vAqN's closing utterance: "I think we made a very bad deal !"

Let us now look at turns on the *marketing* topic group by group from two standpoints: general topic management, and the correlation between discourse features and outcomes. With regard to the former we will be commenting on:

- initial topic introduction
- pattern of topic control (string or scatter)
- multi-topic turns as opposed to single/paired topic turns
- topic shift and topic revival

As far as discourse features are concerned, in describing topic development in each group I will demonstrate ways in which commissive speech acts, indirectness, discourse interaction, and question forms relate to achievement of tactical goals, and the effect they have on how bargainers interpret the progress, information, and interaction of the negotiation.

## 6. 2. MANAGEMENT OF THE *MARKETING* TOPIC

### 6. 2. 1. Hewlett Group

In the four groups, the *marketing* topic was introduced as follows:

	<i>party + turn no.</i>	<i>total turns elapsed</i>	<i>type of turn</i>	<i>topic management mechanics</i>
Hewlett:	hAqN* 64	154	single	boundr'd shift; open Q
Pieda:	pCbN 10	20	multi	addit'n; own proposal
Transtema:	tCbN 37	68	multi	s/w shift; info
Volvo:	vAqN 7	10	paired	s/w shift; confirm/sig

In Hewlett group *marketing* was introduced late in this negotiation, after more than half of the total turns had occurred. In numerical terms, the Hewlett group's handling of the *marketing* topic looks like this:

Total turns referring (approx):	43 (out of 279)
Turns with substantial content:	25 (out of 43)
Paired topic turns	10 (out of 43)
( <i>sales targets</i> = 1	
<i>cost ex UK</i> = 3	
<i>terms of pymt</i> = 3	
<i>market position</i> = 2	
<i>local price level</i> = 1)	
Multi-topic turns	8 (out of 43)
(involving <i>distributorship/NSW</i> = 1)	

All Hewlett group transactions on the issue were concentrated in one sustained period of discussion, with the topic being revived only once (reference only; turn hAqN\* 100) some 18 turns after that main period of discussion. This was in contrast to the other groups, particularly to Pidea and Volvo in which the topic was foregrounded and backgrounded several times. We saw in the last chapter that the Hewlett group discourse was characterised by longer episodes of string pattern than that of other groups, and one might be inclined to suspect from that fact and the numbers of single and paired topic turns on *marketing* that the string pattern would dominate Hewlett exchanges on this topic too. This however is not entirely the case; a look at the topic map (Appendix Section 4) will show that although this series of *marketing* turns starts as a stretch of string pattern, and there is another short string at its end, the middle section of the *marketing* discussion represents one of the few stretches of scatter pattern in this negotiation, and certainly the greatest concentration of multi-topic turns in the Hewlett interaction (11 -- including those that don't refer to *marketing* -- of 19). We will discuss what happened at the change from pattern to pattern in a moment, but first let us examine how the topic was actually introduced.

In the negotiation as a whole, the first third consists of a series of strings on the topic of *sales targets*, ended by a short period of scatter pattern linking *sales targets* with *distributorship*, *NSW*, and *rivals*. After this the topic shifts stepwise through shorter strings on the *cost ex UK*, back to *sales targets*, on to *stock levels*, and finally

back to *cost ex UK*. It was a proposal on this (▶<sup>1</sup>), paired with *present market position* (▶<sup>2</sup>), that immediately preceded the AquaScot topic-initiating shift onto the *marketing* issue (▶<sup>3</sup>), as follows:

(60) [Hewlett Agency]

- ▶<sup>1</sup>hCbN\* 45 Yeah, To - to -eh- [3 secs] we calculated forty. Definitely is  
 ▶<sup>2</sup> requested to - to -eh- to increase on -eh- to get a nice share and a  
 nice improvement  
 hAqO\* 29 [whispers to hAqN\*]  
 ▶<sup>3</sup>hAqN\* 64 What are your marketing plans ? Do you have any specific marketing  
 plans for -

hAqO\*'s inaudible aside may have been a reminder regarding *marketing*, or there may have been an unconscious association between improving the market share and marketing. Whatever the stimulus, Hewlett AquaScot used his open question to make a direct, on record introduction of the *marketing* issue. When this was answered by hCbN\* as if it referred to the topic of *present market position*, a second single-topic direct and on record question was framed to establish the sense meaning of the 'marketing' reference:

(61) [Hewlett Agency]

- hAqN\* 65 But have you planned to do any specific marketing effort ?

After this repair, the topic was picked up by hCbN\* who referred to a successful advertising campaign that Cobber had launched. But his follow-on turn attempting to move stepwise from *marketing* back to his preferred bargaining issue of *cost ex UK* led to interesting results both tactically and discursively. In the string-pattern of exchanges which follow, AquaScot constructed a proposal which they presented as a commitment made by Cobber, being enunciated (repeatedly) by AquaScot as a series of confirmation checks. The proposal itself (*so you're saying that...*) is interesting in that it is built up over several turns, with the condition clause appearing in turns hAqN\* 66 and 67 (▶<sup>1</sup>), and the result clause in turns hAqN\* 68 and 69 (▶<sup>2</sup>), marked by the cohesive marker *then*. Both clauses appear together in turn hAqN\* 70 (▶<sup>3</sup>), the conditional relation being understood although no explicit cohesive



marker is used. The sequence is as follows:

(62) [Hewlett Agency] (text deleted)

- hCbN\* 48 But we - we - -eh- made this campaign in the - with the idea or with the hope to - to - to - to -eh- get from you a substantial decrease in the - in the price or -eh- [2 secs]
- ▶PAU
- ▶hAqN\* 66 So what you're saying that if we give you |good - give you=
- hCbN\* 49 |If - if - okay,
- if we - eh ?
- ▶hAqN\* 67 =fort- If we give you a price of forty dollar per case ex UK -
- hCbO\* 21 Yeah ?
- hCbN\* 50 With the -eh- -eh- big campaign we -eh- or a big promotion we made these last few weeks, we should be able to -eh- obtain or to - to - to - to reach the goal -eh- [2 secs]
- ▶PAU
- ▶hAqN\* 68 [softly to hAqO\*] Okay. [aloud] What you're saying is that you will obtain the marketing cost yourself then,
- hCbN\* 51 Beg pardon ?
- ▶hAqN\* 69 The marketing cost will be obtained by yourself, then, [2 secs]
- hAqO\* 31 You - you will pay -
- ▶hAqN\* 70 We deduct the CIF price with [Est 7] to forty dollars a case UK port, you sup- you pay the - the -eh- marketing cost yourself,
- hCbN\* 52 Yeah, I mean -eh- we - we- intend, with this -eh- -eh- decreasing price we intend to launch a new campaign, big campaign (...) -eh- to - eh- (...)

Not surprisingly, Cobber's replies show some uncertainty at being asked to confirm (*What you're saying is that...*) the details of a commissive act they had not actually advanced. There is a contrast between the directness of hAqN\*'s utterances and the vagueness of hCbN\*'s *hope to get ... a substantial decrease; should be able to reach the goal*, the latter giving a tentative impression reinforced by the hesitation markers, the dangling *or* in turn hCbN\* 48, and the substantial pauses that follow two of hCbN\*'s turns ▶PAU). The equally long pause that follows turn hAqN\* 69 was apparently interpreted by AquaScot as a further sign of uncertainty, with both hAqO\* and hAqN\* eventually moving in with clarification turns to define the commitment (i.e. that Cobber had offered to be entirely responsible for funding marketing if they got a reduction of \$ 8 per case on the ex UK price).

The final turns in this string pattern combine *marketing* and *cost ex UK*. They appear to express Cobber's willingness to agree to the principle of

their financing the marketing, as borne out in an exchange of approximately 11 turns where Cobber underlined the advantages of lowering the price and thus, by funding a campaign with money saved on the initial cost of the product, indirectly getting much higher sales.

The topic pattern then changes into scatter pattern, incorporating the concentration of multitopic turns mentioned above, the point of transition being turn hAqN\* 74 (►<sup>1</sup> below). This turn began with a boundary-marking *Okay*, followed by a two-second pause. That was followed by an agenda-managing bid to move the interaction on a stage, i.e. an open question regarding *cost ex UK* and related issues, and the first instance of the pronoun 'we' referring to both parties together. The ensuing two-second pause must have been interpreted as signalling hCbN\*'s reluctance to move on, for the speaker hAqN\* circled back again for yet another check on agreement on the marketing commitment. This suggests that he was still not entirely certain how to interpret the degree of (or focus of) commitment in the previous exchanges, an uncertainty shared by hAqO\* (►<sup>2</sup>):

(63) [Hewlett Agency] (text deleted)

►<sup>1</sup>hAqN\* 74 Okay, [2 secs] What other things do we need to talk about when we come to the prices here? We have the -eh- [2 secs] -eh- we all agree on that?

hCbN\* 56 Ah, so it will -

►<sup>2</sup>hAqO\* 32 Well, we - we - Did we agree upon - I mean, [2 secs] (...)

The AquaScot hesitation may have arisen from both Cobber's heavier focus on *cost ex UK*, and the fact that AquaScot had framed the commitment to *marketing* on Cobber's behalf without subsequently getting reassuring confirmation in the form of an adequate direct restatement. In any event, hAqO\*'s response to uncertainty was to reiterate the terms of a proposal made earlier (turn hAqN\* 59) (status quo on price and shipping arrangements, but payment on receipt of goods, and only four months' stock). When the *cost ex UK* was again attacked (hCbN\* 58) and a counter-proposal made (hCbN\* 59), hAqN\* returned with AquaScot's proposal plus a concession of two dollars per case in marketing support.

These proposals and counter-proposals account for the 9 multi-topic turns, the last of which is agreement on condition that the distributorship is exclusive and includes NSW (turn hCbN\* 61). This moved the topic away from the *marketing* topic into a scatter pattern including *distributorship*, and *targets*, recapping the proposal item by item, and ending when turn hAqO\* 41 shifts back to *marketing*, the start of the final short string (from hAqO\* 41 to hAqO\* 45) on this topic.

Considering that by this stage in the negotiation agreement had been reached on virtually all the major issues, it is curious that this group ultimately failed to get a final settlement. In this regard two interesting things show up in the section of discourse just outlined (turns hAqO\* 32- hAqO\* 45). The first, already commented upon, is the initial uncertainty about whether or not Cobber have actually committed themselves to being fully responsible for funding a marketing campaign. The second is the interaction between the two members of the AquaScot party.

It is a characteristic of this group's negotiation that the observers do not remain as much in the background as those in the other groups. Instead, they take an active role, as attested to by the comparative overall number of turns for observers (Transtema group having no observer):

<i>observer turns:</i>	Hewlett	Pieda	Transtema	Volvo
AquaScot	63	7	n/a	6
Cobber	29	6	9	7

On the *marketing* topic hAqO\* has 13 turns (approx) to hAqN\*'s 17. But once the initial *marketing* string changes to scatter pattern the ratio becomes almost equal, coinciding with a high concentration of proposal and counterproposal. On the grounds of too many cooks, this seems a dangerous negotiating technique unless deliberate and well-coordinated. In this instance there are at least suggestions of cross-purposes, of

some intra-party confusion as to what policy/tactics are being pursued. There were long silences in which notes were checked, and five AquaScot turns involve intra-party asides or consultation, as for example:

(64) [Hewlett Agency]

hAq0\* 33 [whispers to hAqN\* =]  
 hAqN\* 76 [aside to hAq0\*] Yeah, but they should do that themselves.  
 hAq0\* 33 =Sh-h-h-h,

We have already looked (Ex 63 above) at AquaScot's lack of conviction over what has been agreed regarding Cobber's commitment to marketing. The terms of Cobber's (somewhat hesitant) ratification of the proposal, focusing on the need for energetic efforts rather than on the details of who was to pay for this, did not encode the pragmatic force AquaScot recognised as a commissive speech act. Hence their lack of confidence in what had been agreed, and need to re-check and repair repeatedly.

During the final *marketing* string ( and the 8 non-*marketing* turns that precede it) there are only 3 Cobber turns compared to 18 for the combined AquaScot. This weight of turns, combined with AquaScot's presumption of commissives on Cobber's behalf, may have lead Cobber to feel that they were being bullied into agreement before they were ready. Whatever the cause, in the remainder of the interaction they reacted adversely to proposals about raising the price to retailers in Australia, showing signs of confusion about what was being suggested. In the end they preferred deadlock to salvaging the elements on which agreement had apparently been reached.

To sum up then: on inspection it seems that in this group when there is string pattern, there is either negotiator uncertainty, shown in the turns by pauses, clarification exchanges, loops back and so forth, or there is monofactorial bargaining, and neither of these results in progress. An infelicitous and therefore insecure commissive lead to Cobber being uncertain as to what they had been committed to. In turn AquaScot became uncertain about that commitment when they did not get

what they recognised as adequate affirmation of it. Then after a more productive stretch of multi-topic turns during which agreement was reached, both sides became uncertain again as the result of confused topic management between the two members of the Aquascot party.

#### 6. 2. 2. Pleda Group

Pleda group's *marketing* turns were as follows:

Total turns referring (approx):	18 (out of 259)
Turns with substantial content:	16 (out of 18)
Paired topic turns	4 (out of 18)
( <i>sales targets</i> = 1	
<i>cost ex UK</i> = 1	
<i>market position</i> = 1	
<i>mark-ups</i> = 1)	
Multi-topic turns	9 (out of 18)
(involving <i>distributorship/NSW</i> = 3)	

Pleda had far fewer turns on this topic than Hewlett, but of those a relatively high proportion were multi-topic turns (9 out of 18, as opposed to 8 out of 43). The *marketing* exchanges occurred in relatively short episodes. In the Hewlett group the issue was actually resolved in the first-occurring set of exchanges, and this was the case with Pleda group as well, but unlike Hewlett their first set was not extensive; resolution was fairly quickly accomplished. Moreover, unlike Hewlett the topic was revived in three later sections of the discourse, each section separated from the next revival by a substantial number of turns (to compare the four groups, see the *marketing* Topic traces (Appendix Section 4.) It is interesting to see how these revivals were accomplished, and what that suggests about the mechanics of recruiting one issue to foster other negotiating goals.

The topic was introduced fairly early, in a multitopic turn (pCbN 10) tying it with *sales targets* and *market position*, a stepwise topic shift supporting their previous equally long turn (pCbN 9) that made an argument for getting the NSW distributorship. In the topic-introducing turn Cobber presented marketing as a crucial 'fact' in the achievement of

targets, and explicitly nominated AquaScot (►) as the party responsible for marketing:.

(65) [Pieda Agency] (text deleted)

pCbN 10 (...) And the other fact; -eh- a lot of it depends on how much you're going =(...) =to put into the marketing of it. We can everything, but if the advertising -eh- isn't there, and the money isn't in the marketing, people aren't going to buy it no matter -eh- no matter what. We might - we could probably feel more comfortable= (...) =with higher targets, if we had an idea that you're really going to be committed to selling this product.

Because Cobber got their *sales targets* sums wrong, AquaScot was prompted to turn away from *marketing* into a clarifying sequence of 6 short turns, but after that they specifically renominated the *marketing* topic in a marked (now...) topic shift:

(66) [Pieda Agency] (text deleted)

pAqN 14 (...) Now you've talked about marketing; what would you be willing to - to offer us in way of - of marketing our product within -eh- Australia ?  
[2 secs]

Their open question, which assumes that Cobber has the marketing responsibility, completely reversed the assumption in pCbN's topic-initiating turn. Not surprisingly, this view was treated as unexpected by Cobber. After a pause and consultation pCbN stated that a particular marketing obligation had not been considered, and made a vague undertaking to support marketing through their normal sales calls. When pressed harder, pCbN reasserted their own view of AquaScot's marketing responsibilities by suggesting a specific proposal (Ex 67 below.).

However this proposal includes many hedging language features (italicised below) and the use of the interrogative structure, and is followed immediately by a much more general question that seems to give more weight to AquaScot's policy than to Cobber's wants (*where do you stand ...*):

(67) [Pieda Agency]

pCbN 16 Well, we *could* certainly *look into* - with an exclusive arrangement - with putting *more effort* into it. *I guess I was wondering*, do you have an *idea* that you're *willing* to commit thirty percent more resources than



last year in advertising ? Or where do you stand on advertising costs and *things like that* ?

This was countered, using a stepwise topic shift to *markups* (deleted below) to supply some pressure and justification, by the first (somewhat hedged and vague, but nonetheless on-record) proposal from Aquascot:

(68) [Pieda Agency] (text deleted)

pAqN 16 (...) And -eh- what I would be looking for would be at the moment a -eh- for the marketing to - to come from Cobber,

pCbN's utterances up to this point all show a variety of indirectness features: question forms, high use of modality, hedges like *something along the lines of; probably; I guess I was wondering*. The next two Cobber turns, however, show a sharp change which suggests that they had understood the full negotiating import of Aquascot's proposal.

(69) [Pieda Agency] (interjections deleted)

pCbN 17 So it's for us to do the marketing, advertising and everything,

pAqN 17 -eh- Yes, | -eh- -eh-

pCbN 18 | Out of our markup. Because of course that isn't the way it is now;= (...) =you're - you're providing marketing, and -eh- you're providing advertising expense and those kind of things now for the product. Generally a distributor=(...) =doesn't pay for the advert- we do local ads, but you're responsible for the over-all advertising, -eh- [3 secs]

These confirmation checks are brief and direct, as is the argument citing the status quo as precedent. There is then a three-second silence, followed by a query about taking a break that shows that AquaScot's observer may have felt his side to be under pressure here. But this suggestion is turned down by pAqN, and at that point pCbN self-selects with another turn, this time a boundaried shift away from *marketing* and back to the central topics of *cost ex UK* and *sales targets*.

This is a crucial moment. With the sole exception of the word *generally*, there is no evidence in the language of the exchange in Example 69 that

Cobber had agreed to AquaScot's proposal that they take full responsibility for the marketing; indeed there is evidence of direct denial. And after that exchange, the topic shifted. Yet when the *marketing* topic was next revived by pAqN after approximately 59 turns the issue of responsibility for marketing was treated by both parties as settled in AquaScot's favour, and the point under discussion (signalled by a Wh-cleft construction, ▶<sup>1</sup>) was not who was responsible, but exactly what level of "marketing input and advertising input" would secure the NSW distributorship. Cobber's reply, a multitopic turn adding *cost ex UK* to the *marketing / sales targets / NSW* topics, admittedly expressed a conditional and non-specific commitment, but it did not directly refute the underlying assumption that theirs was the responsibility:

(70) [Pieda Agency] (text deleted)

- ▶pAqN 45 One fifty including New South Wales. What we would need for that would be some= (...) =kind of idea of what sort of marketing input and advertising input you're willing to put into guarantee those sort of - eh-
- pCbN 53 Well, if we get New South Wales, [2 secs] and we could work on price, that would give us more of a margin to spend on advertising, (...) And with the market growing= =the way it is, [2 secs] we would even be willing to do something along the lines of, if we don't make our one fifty, we would buy that much anyway.

AquaScot's response to this did not refer to marketing at all, suggesting that for them the issue had been resolved satisfactorily. Instead they introduced a pressure topic by the device of comparing what was on the table (in terms of *sales targets*, *cost ex UK/terms* and *local price rises*) with what had been 'agreed' with rival hopefuls for the distributorship, and the *marketing* topic was once again backgrounded. When it surfaced again, it was only as a reference in a confirmation summary of a proposal (▶<sup>1</sup>). Only the contrastive marker *but*, indicating an element of conditionality to their commitment, could be interpreted as a sign that Cobber had not unreservedly accepted the marketing responsibility.:

(71) [Pieda Agency]

- pAqN 52 Um-hum, Doubling every year ?  
 ▶pCbN 59 Doubling every year, We'll put increased marketing, but at fifty five dollars a case, ex UK,

The bargaining about *cost ex UK* went on for six more turns, at which point AquaScot revived the *marketing* topic by stating that they would *require some kind of written commitment* of what Cobber were planning to do about marketing, *because that's important*. This is an example of the strong language/weak language coupling recommended by the writers reviewed in Chapter Two: a strong verb (*require*) paired with a weak noun phrase (*some kind of X*). In this case the weak NP elicits an open question in response, followed immediately by an explanation:

(72) [Pieda Agency] (interjections deleted)

- pCbN 63 In the way of that, what would you be looking for - specifically, I mean we can= (,,,) =give you sales plans and things but that doesn't guarantee results, -eh-

This indicates uncertainty in the Cobber party as to what they were meant to commit to (no entry/exit point figures being mentioned in their brief), and pAqN's disjointed reply -- after consultation with pAqO\* -- seems equally unsure (the only figures in their brief relating to what they were prepared to contribute, which became irrelevant when Cobber accepted full responsibility). The information vacuum creates an impasse. To get out of it, in the absence of any specific contribution targets pAqN went on to topicalize not contributions, but the *market share* Cobber should aim to achieve within two years, and with this boundaried topic shift the bargaining moved on.

The next time the *marketing* topic arose (after 43 further turns) it was as a pressure topic paired with *cost ex UK*. pCbN framed what appears to be a warning (▶'), in that it points out an adverse effect (by implication, on AquaScot's market share) if high initial costs eat into the amount available for marketing. As warnings go, however, this is rather indirect. The chief conjunctive forms that link the propositions

are not conditional ones as one might expect for warnings (e.g. *if this happens, then that will follow*), but contrastive and cause/effect.

Moreover, there are other examples of indirectness and hedging (italicised below), including one double negative (><sup>2</sup>).

(73) [Pieda Agency] (interjection deleted)

pCbN 87 That really cuts our margin down -eh- *I don't know how much* advertising  
 ><sup>2</sup> we can do for you. *I'm not saying we couldn't make some of these*  
 ><sup>1</sup> numbers, but we *wouldn't be able to spend much* on - on advertising or  
*those kind of things*. Because that takes - *we don't think* we can raise  
 the price of this product *much*, over the years there's going to be a lot  
 of competition, cause the market's growing as you well know, = (...) Eh  
 - [2 secs]

It doesn't seem, however, that this indirectness diluted the warning force of the topic. Its threatening value is attested by pAqN's response, which was to loop back defensively to the positive image of the product (another pressure topic), rather than to advance new bargaining proposals regarding the central issues of *cost ex UK*, *sales targets*, etc. In this and other examples in these data, there is a tendency to react defensively to relatively weak and moderated warnings, whose threatening force may be heightened for the listener in the negotiating setting.

The final revival (after another 27 turns) of the *marketing* topic in this negotiation involved another argument loop, and it came when a very complicated package was on the table. At this stage there was a misunderstanding about the referent of the word 'increase' (in turn pAqN 91) which prompted a strong and direct reaction from pCbN (*Wait, that's the first time we've talked about increases...*). The wording of this and pAqN's immediate attempts (turns pAqN 92-93) to clarify meaning indicate that there was a feeling that the norm of truth in commitment had been violated, a more serious example of a crisis engendered by cohesive mis-cuing. Be that as it may, pCbN spent the next two turns again going over justifications of the need for lower *costs ex UK* on the grounds that the savings were needed for the marketing campaign, "which is going

to help both of us in the long run." The second of these turns was the last reference to the *marketing* topic in this negotiation, and is explicit and unconditional as regards Cobber's concession of full responsibility (►):

(74) [Pieda Agency]

pCbN 102 In your figure of one point two by Year Four is a bit optimistic, unless we can get some price concessions. And I'm saying, we'll - we'll spend the extra on advertising for you, [2 secs] Cause it's in our best interests to meet these goals as well, since - remember we did agree we'd pay for them.

AquaScot's response to this explicit commitment was a rather aggressive bid to once again reopen bargaining on a commitment of their own: whether or not to give Cobber the lucrative NSW distributorship.

(75) [Pieda Agency]

pAqN 95 Um-hum. What we could do on that I think is to go back to the exclusive of New South Wales.

After this it took 54 more turns for the final agreement to be struck, an extremely complex agreement which was fairly well-balanced as far as the central issues are concerned, but very much in AquaScot's favour as regards marketing.

To sum up this interaction then, in Pieda the topic starts off for both groups as the material one of who is going to pay for marketing. This goal is associated with question forms to elicit information about the others' motivations, and statements of wants moderated by many indirectness features. It ends up being used as a pressure topic, persistently by Cobber to get a lower *cost ex-UK*, and also by AquaScot to keep the issue of *exclusive distributorship* up in the air. The turning point from material to pressure topic was the point where Cobber conceded that they would be responsible for marketing. The problem for the discourse analyst is to determine when and how Cobber's concession regarding *marketing* took place. The earliest turns, as we have seen, show Cobber being firm on the issue, and certainly no overt speech act of commitment on their part emerges. Nor are there any proxy

commissives such as we saw with Hewlett group. Yet the issue is never in doubt after the initial set of exchanges. It may be that the sheer complexity of the package this group put together (with sliding time-scales for *sales target* and for *cost ex UK*) caused the sort of overload that made elimination of one complicating factor tempting. Or perhaps this is an instance of an issue being conceded by default: hard bargaining by AquaScot may have caused Cobber to sacrifice the *marketing* issue in order to establish the right climate for agreement regarding the *distributorship*, *NSW*, and *costs ex UK* issues. Or a third possibility is that Cobber may have chosen a tactical concession in order to be able to use their need for marketing resources as a compelling argument for a lower price ex-UK. The growing degree of indirectness in pCbN's *marketing* turns as the negotiation proceeds looks like a clue to their feeling that the tide was turning against them. This is a case where discourse evidence on one topic would have to be cross-checked with that on others before a more confident hypothesis could be advanced. Beyond that, it would be interesting in a large sample of interactions to measure the ratio of indirectness markers to volume of speech on a given topic, to see what effect it has on the proportion when a speaker's party is being pressed hard to concede. In these data as a whole one senses that when markers of indirectness increase in frequency in apparent attempts at mollification, this is associated with below-par settlements on the issue in question.

### 6. 2. 3. Transtema Group

Of all the groups, Transtema shows the most straightforward treatment of the *marketing* topic entity. They devoted the same number of turns to the topic as Pleda group, but virtually all were concentrated in one highly focused set of exchanges, during which the issue was introduced and settled. The two further mentions of the topic were no more than a supporting reference in a multi-topic argument/proposition (turn tCb54), and a short set of final brief references as part of summarizing the agreement package at the very end of the negotiation. In all there were 18 turns on the topic, as follows:



Total turns referring (approx):	18 (out of 162)
Turns with substantial content:	14 (out of 18)
Paired topic turns	4 (out of 18)
(exclusive distributorship = 2	
sales targets =	1
product image =	1)
Multi-topic turns	2 (out of 18)
(involving distributorship/NSW = 0)	

The *marketing* topic was first broached in this group after approximately 68 turns had been taken, that is two-fifths of the interaction. In the previous chapter we discussed possible tactical reasons for this group's focusing on this topic at this stage (see Sections 5.3.2.2., Example 26, and 5.3.2.1., Example 22). We said that after a long over-tentative and unproductive attempt on tCbN's part to get *stock levels* tied to actual sales rather than to targets, tCbN used a stepwise topic shift to open out the *targets* string by adding *marketing* (►') and *mark-ups* (deleted in this extract):

(76) [Transtema Agency (text deleted)]

tCbN 37 (...) I think we have to increase the -eh- not just to increase the sales with the existing customer base, but between us we must really=

►' (...) =attack them with a good strong marketing policy, -eh- I don't know whether you= (...) =agree, but I think it's quite important that we do -eh- market this product in the best possible way -

In this tCbN signalled by sympathetic pronoun use an assumption that marketing must be a mutual responsibility (*between us...we...*), a view which tAqN\* at least endorsed in a general way by a reference to AquaScot's previous policy of giving their agents "help in the market". In the terms of the negotiation writers, this is tantamount to a signal of potential concessions in this regard, which both parties pursued in the short *marketing* string that constitutes the first block on this topic. This string seems in fact to be divided into two separate sections. The first (five turns) is devoted to information, with the use of open questions, justifications, etc. We have already looked (Ex 57 in Section 6.1.2.2. above) at Transtema Cobber's pairing of this topic with *exclusive distributorship/NSW*, which is followed up with the following

information-getting/giving turns:

(77) [Transtema Agency] (text deleted)

- tCbN 39 (...) -eh- [ / sec] And you are - are you committed to - to doing any particular cam- campaigns through the forthcoming year ?
- tAqN\* 41 Well, we have - we have -eh- in fact -eh- discussed this in one of our board meetings, and -eh- -eh- we have made up a little - little thinking if we can do something in the beginning, and we will like to hear your - eh- point of this, what do you think we can do, and -eh- have you make some any calculation of what I can cost with the market, well, especially -eh- to support the market in the beginning ?

Each of these turns ends in a question, the second encoding a strong signal of possible financial concession, and so does the following turn, a long explanatory/justificatory turn (tCbN 40) which finishes:

(78) [Transtema Agency (text deleted)]

- tCbN 40 (...) -eh- What - what sort of -eh- terms were you thinking of ?

This turn marks the end of the exploratory section of the string, and the reply to it ushers in the bargaining section with tAqN\*'s specific proposal (►) :

(79) [Transtema Agency]

- tAqN\* 42 We have think about -eh- let me see, in - around two dollars per case to - to start -eh- this first initially support, and -eh- yeah, let me say that we do that for the first six months ? [2 secs] That we give  
► you extra support of two dollars per case for this first six months, [2 secs]

tCbN's failure to respond at once, resulting in the first two-second silence, prompted tAqN\* to reiterate the proposal, but not to concede anything else at that stage. When we discussed this in Section 5.3.2.1. of the last chapter, we pointed out the extreme indirectness of tCbN's reply to this proposal (see turn flagged ►<sup>1</sup> in example 80 below). The utterance did not make any direct demands, and seems unlikely in itself to have been responsible for the immediate increase in tAqN\*'s offer, nor (as we pointed out in the last chapter) did this reply succeed in getting the full four dollar exit-point concession that was possible.

Instead, we speculated that tAqN\* had a tactical reason for choosing to settle on this issue, possibly as a way of getting out of the earlier impasse about *targets* and getting back to bargaining on issues where he had more to gain. If this was the objective, it succeeded: the string ends with a confirmation check (▶<sup>2</sup>) that assumed the *marketing* issue was settled, and tAqN\*'s paired revival of the originally difficult *sales targets* topic (▶<sup>3</sup>) did not spark off a return to the argument loop on that issue. Instead, by a boundaried topic shift (▶<sup>4</sup>) tcbn nominated another central issue (*cost ex UK*) that had not been much discussed in previous turns, and the negotiation moved on a stage:

(80) [Transtema Agency]

- ▶<sup>1</sup>tCbN 41 We were -eh- thinking that it would -eh- possibly be better to -eh- to get the major impact, although six months is a short time, we would be willing to agree to it, because we were considering a year, -eh- I think we could concede that perhaps it would be viable over six months if we could put a little bit more money into it, if we went to something like -eh- three fifty, then you would -eh- be more inclined to [1 sec] -eh- widen the customer base, [2 secs]
- tAqN\* 43 We are talking about a six-month period, seventy thousand cases, and you said three fifty, that's made two hundred and forty five; that really is not in the - that's over my budget, So let's make it another calculation; two hundred ten, I have a budget of two hundred, Okay; I think I can arrange three dollars per case,
- ▶<sup>2</sup>tCbN 42 Three dollars a case, [2 secs]
- ▶<sup>3</sup>tAqN\* 44 And for - based on the six-months sales of seventy thousand, [5 secs]
- ▶<sup>4</sup>tCbN 43 So that really just leave us to discuss -eh- the price per case, [laughs]

The single reference to *marketing* which occurred twenty turns later added nothing of substance, and the final brief string at the end served to clarify details of the market support within the context of the overall package summarised in turn tAqN\* 71 (the referent for *that* in turn tCbN 75):

(81) [Transtema Agency]

- tCbN 75 And - in addition to that you will give us three dollars a case.
- tAqN\* 72 Yes, For - for -eh- marketing support, And we're talking about six =
- tCbN = marketing -
- tAqN\* 72 = months' period, and after that we will - we will take up the discussion to see how we - how are we - how it's - you manage it and

		what we can do with it, so forth,	
tCbN	76		And how - wh- what we can do next, Yes,
tAqN*	73		Yes, Yeah,
tCbN	77	And we can go from there,	
tAqN*	74	Yeah,	

In this group, apart from the prominent use of solidarity signals such as sympathetic pronoun use in argumentation, the most striking discourse feature is the contrast between the specificity of AquaScot's proposing, and the indirectness of Cobber's. The latter's frequent use of elaborate hedging and moderation would normally, one would expect, be taken as a sign of weakness, but it is interesting that this did not prompt AquaScot to withhold the second rapid concession on marketing support. Transtema group may well be an example where one can see the mechanics of how one party can control the concessions on an issue not to screen their own wants or inhibitions, nor to force the other party to their exit point, but rather to use that issue tactically for other negotiation goals -- in this case material goals regarding *sales targets* and *local price levels* (on which tAqN\* negotiated an extra profit of \$10.12 per case.)

#### 6. 2. 4. Volvo Group

We have already seen in Section 6.1.2.3. above that the outcome on this issue is different in Volvo group than in the others, in that AquaScot ends up assuming all the responsibility for marketing. And in fact not only the outcome, but the handling of the *marketing* topic in Volvo group contrasts with the other groups in more than one way. First, in terms of distribution, the turns are not concentrated in one initial set of exchanges as in Hewlett and Transtema, but are scattered throughout the negotiation, the topic being raised early (after 10 turns) and being revived 5 times thereafter. Nor is the revival for reference only: unlike Pieda and Transtema the issue of who will be responsible for marketing is not treated as resolved until the very end. The continuing revival of the topic suggests that the issue retained its value as a

material or a pressure topic, and in fact the exchanges themselves bear out this interpretation in various ways.

In terms of numbers, the Volvo *marketing* turns look like this:

Total turns referring (approx):	26 (out of 128)
Turns with substantial content:	18 (out of 26)
Paired topic turns	13 (out of 26)
(sales targets = 7	
cost ex UK = 1	
stocks held = 4	
market position = 1)	
Multi-topic turns	9 (out of 26)
(involving distributorship/NSW = 3)	

This list points to another difference between Volvo and the other groups, i.e. a closer association between *marketing* and *sales targets* in their turns. In each of the other groups these two topics were paired in one turn, but in Volvo they occur in tandem seven times, as well as being together in all 9 of the multi-topic turns. Much of the argument of other groups' discourse was to the effect that money saved on what was paid for the product ex UK could be used, or was needed, for expenditure on marketing in Australia. This suggests that in the other groups much of the time the issue was being treated as, or associated with, a material one involving concrete sums (Hewlett and Pineda) or at least prompting repeated reference to money to be budgeted. In Volvo, however, as the topic pairing might suggest, the argument centers instead on the connection between AquaScot's pushing for higher sales targets, and the need for a corresponding marketing push (on their part) to make these targets realistic. In other words, an operational rather than a material argument.

We said above that the topic of *marketing* was raised after 10 turns. This is not strictly true: vAgN\* introduced the topic at that stage (their turn 7; example 82 below), but vCbN\* sidestepped the topic shift. The attempted nomination is by means of an addition (one of the paired turns) to the existing *sales targets* topic (the 'it' of *it would be*

*possible*), which has been active in a string pattern for approximately ten turns. The addition may have been an attempt to defuse Cobber's somewhat hostile reaction to the size of the annual sales increases that vAqN\* was demanding. Certainly the utterance shows an attempt at conciliation in the (non-specific) voluntary concession regarding *marketing*, and as part of this concession solidarity with Cobber is shown in one of the instances of the pronoun *we*. The first use is obviously exclusive (i.e. AquaScot party only), but the second can be interpreted as an inclusive *we*, referring to both speakers and hearers, in that while the proposition implies an obligation for Cobber, the third *we* (AquaScot again) undertake to help *you* (Cobber):

(82) [Volvo Agency]

vAqN\* 7 We think it would be possible, yes, and -eh- of course -eh- we have to do some marketing efforts and we are prepared to assist you,

This first topic mention, concession and all, was put to one side by vCbN\* by opening out the original *sales targets* topic into a multitopic turn including *cost ex UK* and *markups*. The explicit signposting of a new topic for a stepwise topic shift (italicised below) is as follows:

(83) [Volvo Agency] (text deleted)

vCbN\* 6 Okay, -eh- before very long this sales scale I mean -eh- *first of all, we'd like to talk about the price, (...)*

After a further 13 turns, vAqN\* tried again (turn vAqN\* 15), this time signalling that they would pay (whether in part or in total is not clear) for marketing provided that the revenue could be raised by putting up the prices to local retailers. This time vCbN\* was ready to take up the topic, untying it from local prices, pairing it with *sales targets*, and making an explicit topic nomination (italicised):

(84) [Volvo Agency] (interjections deleted)

vCbN\* 14 Okay, *Marketing is something we have to come now*, because -eh- -eh- you are asking us I mean to sell a hundred thousand cases a year, which is - you know, in my opinion is too much compared I mean with the marketing (...) support we have right now from your company. It's definitely too



low and right we can't afford with this support I mean to sell more than fifty thousand - fifteen thousand - fifty thousand cases a year.

This example shows something which is a feature of this particular interaction, the impact of pronoun choice on pragmatic force. In Ex. 82 above we pointed out the use of *we*; here in Example 84 there is an even clearer example of the power in pronoun use, as vCbN\* underlines his argument about obligations by making a clear division between his party (*we; us*) and AquaScot (*you; your company*). This, allied with other direct and emphatic language (italicised below) in support of Cobber's wants, gives an unmistakable impression in this and vCbN\*'s following turn of Cobber's assumption that marketing is not a joint project, but entirely the responsibility of AquaScot:

(85) [Volvo Agency] (text deleted)

vCbN\* 15 It's I mean - I mean the sales - our total shows *directly proportional* to the marketing support *of course*, marketing support has *the strongest effect* on the sales. *The more support you put, I mean the more we will be able I mean to sell=*

vAqN\* Sure

vCbN\* 15 (... ) I mean *we need* a strong support. And *we cannot accept*, based on the marketing support we have right now, and as before I mean what is your -eh- power in increasing your - your marketing support, but right now in Australia and compared with what our competitors, other distributors are doing, *we cannot sell more* than fifty thousand cases a year, *definitely*.

vAqN\*'s response to this pressure was to turn away from the topic that they themselves had revived, and instead to narrow the bargaining back down to *sales targets* only. However vCbN\* kept the discussion ranging back and forth across several issues during the following six turns, at which point they brought *marketing* back into the package-building in much the same terms as before:

(86) [Volvo Agency] (text deleted)

vCbN\* 19 (... ) We need more time, I mean, to -eh- to reach this level, which is based again, partly based, on the strong marketing support, which we need from you. A stronger one,

vAqN\*'s reply, incorporating a warning reference to rival distributors (►'), signals that they were not willing to acquiesce to Cobber's assumption that AquaScot should bear the brunt of marketing; marketing support was shown as being conditional (*if...then*) on *sales targets* and higher *local price levels*.

(87) [Volvo Agency] (interjections deleted)

- vAqN\* 21 Well, if we look at the fifty thousand -eh- volumes, then, and at a retail price of ninety thous- -eh- ninety dollars, then -eh- really it's not much in it for us, because -eh- we have as you perhaps know  
 ►' other distributors which we are negotiating with, and -eh- in that case I don't think we can -eh- give you any additional= (...)  
 =marketing support, so -eh- -eh- if you expect the price to be -eh- =  
 vCbN\* 20 That's a problem.  
 vAqN\* 21 =raised by let's say -eh- ten dollars then we can discuss how much marketing efforts -eh- we can put -

From this conditional proposal it is the price rise, not the marketing support, that vCbN\* pursues, but after a further eleven turns the *marketing* topic is revived:

(88) [Volvo Agency] (text deleted)

- vCbN\* 29 (... ) Again, I mean I cannot commit for more than fifteen thousand -eh- fifty thousand cases a year based on the actual marketing support,  
 [7 secs]

There was a very long (seven second) pause after this turn, followed by a concession on the *sales targets* (turn vAqN\* 28) which vCbN\* promptly took advantage of by linking it to the topic of *cost ex UK*. vAqN\* attempted to counteract the pressure of this by submerging *cost ex UK* (*Well, we have to take this marketing effort into consideration here...*) in a reiteration of the commitment to take (whether shared or not is uncertain) responsibility for marketing, but vCbN\* dropped the *marketing* issue entirely to make a somewhat disingenuously prefaced (*I don't know whether I mentioned it but...*) demand for the *cost ex UK* to be lowered from \$ 48 to \$ 40 a case.

The next time *marketing* was brought up, it was by vAqN\* as part of a multi-topic attempt to summarize and restructure a Cobber proposal. There is nothing in this mention of the topic to indicate whether or not AquaScot actually accepted full responsibility for marketing, but the pronoun use in vCbN\*'s reply (*you will be able* - ▶<sup>1</sup>) make it clear that this was Cobber's assumption, and vAqN\*'s next turn (▶<sup>2</sup>), while not an outright concession, signalled acknowledgement of the principle that whoever undertook marketing might be undertaking it alone:

(89) [Volvo Agency] (text deleted)

- vAqN\* 37 (,...) And furthermore, if we look at the marketing support, -eh- our calculations based on the volume of a hundred thousand indicate actually that -eh- we have a marginal cost which has to be covered by something slightly, you know -
- vCbN\* 41 | Yeah;  
| I'm going to help you. By -eh- asking us to sell a  
▶<sup>1</sup> hundred thousand cases you will be able to spend more money on marketing support, is that right? More or less what you are saying I mean different; the more you sell I mean, the more you can put some marketing support. Is that so?
- ▶<sup>2</sup>vAqN\* 38 Yes but what do we get in return for that? I mean if we do put in all the money, what are the tradeoffs?

vCbN\* pressed home this advantage by raising the topic of the *NSW distributorship*, to which vAqN\* responded with a hedged (*could very well consider*) commitment to a package which apparently incorporated sole responsibility for marketing; there seems little doubt that in this grammatical context, the referent for *we* (▶<sup>1</sup>) is AquaScot only, not both parties together.

(90) [Volvo Agency] (interjection deleted)

- vCbN\* 44 What about the New South Wales? I mean, are you prepared I mean to give us the sales? [2 secs]
- vAqN\* 40 -eh- We [/ sec] could very well consider -eh- the New South Wales, but that would of course -eh- give some indication on the expected volume -eh- the price, = (,...) =and again, -eh- taking the marketing support into consideration, we have -eh- the marketing costs, which we have to -  
▶<sup>1</sup> to cover.

The bargaining then went on regarding the other issues, but without reference to marketing, for the next 35 turns. When vAqN\* finally

revived it the bargaining stage of the negotiation was drawing to a close, and vCbN\* had just asked for AquaScot's agreement to an amended multifactorial proposal. Second person pronoun use in vAqN\*'s conditional but otherwise direct counterproposal (▶<sup>1</sup>) and vCbN\*'s reply (▶<sup>2</sup>) finally make an observer certain that the all-or-nothing assumption about marketing was then (if not before) a shared frame, though not yet an agreed issue:

(91) [Volvo Agency]

- vAqN\* 56 I can accept that if -eh- at a price of forty eight dollars, provided  
▶<sup>1</sup> that you take care of the marketing.  
vCbN\* 59 Forty eight dollars will be too much. You increase by two hundred  
thousand -eh- cases right, which makes a big - much bigger turnover, so  
▶<sup>2</sup> you can afford anyway to spend much more on the marketing. And you have  
▶<sup>2</sup> to pay for the marketing, I mean you are better I mean in position than  
I, I mean, to - to - to - to bring the marketing support. Marketing  
support is something that cannot be brought by the distributors, it has  
to be brought by the people who are producing the product. Because they  
know much better than - than we know it, and we need the support for us.

However the issue of *marketing* was not settled yet; vAqN\* had one last referring turn where AquaScot tried to tie a concession on *cost ex UK* with a tradeoff on *marketing*, but without success. vCbN\* took up the conceded *cost ex UK* of \$ 45, but refused in direct language to accept responsibility for marketing. So Cobber's early view of this issue, reflected in pronoun choice, prevailed at the very end of the interaction:

(92) [Volvo Agency] (text deleted)

- vAqN\* 59 I'm prepared to -eh- go down -eh- to a price of forty five -eh-  
provided that= (...) =you then take care of the marketing support.  
vCbN\* 61 Okay, I'm going to make you a counter proposal; I can go up to four - to  
forty five dollars, all right ? Okay ? Provided that we maintain one  
month's stock, we= (...) =start with seventy five thousand cases a year,  
up to one million bottle- one million cases in Year Five. We -eh- get  
of course the New South Wales sales, all right ?= (...) =We have your  
marketing support. This is definitely I mean something which must be  
done by the producer not by us; it's important, (...)

In this group, Cobber seem to have been the more skilful negotiators in relation to *marketing*. They used topic control, foregrounding and

backgrounding the topic as they saw fit and ignoring AquaScot's nominations of it when they felt that was expedient. Then by very subtle use of pronouns they simultaneously signalled sympathetic alliance with AquaScot yet an assumption that marketing was the suppliers', not the agents', responsibility. Once this frame was established, they used increasingly more direct language in asserting that premise.

### 6. 3. SUMMARY

In following one topic turn-by-turn through four parallel simulations the objects were to see more clearly how successfully or otherwise topic development strategies fulfilled negotiation goals, and to look at particular discourse features that contribute to topic development. Let us sum up what the analysis has shown.

#### 6. 3. 1. Commissive speech acts

Chapter Two referred to the importance which practitioners placed on commissive speech acts which in some instances give notice of the speaker's intention to concede something (proposing, agreeing to proposals, promising, etc.) and in others notice of willingness to be aggressive to the other party (threats, warnings, refusals of concession.) Writers recommended that in the case of proposing, issues should be tied together in mutual dependence, with concession on some being dependent on reciprocal concessions made by the other party. They also suggested that the success of commissives depended on the speaker's credibility, in terms both of ability and of willingness to carry out the commitment, with degrees of directness or indirectness being the device for moderating the apparent strength of commitment.

In the case of the *marketing* issue, the practitioners' comments were borne out, but there were enough variations to make one realize that their rules for bargaining shrewdness and good negotiating language can

be adapted in practice to allow commitment to be used tactically. In these data simply tying topics together in discourse did not ensure successful outcomes on the issues to which they referred; it seemed to be productive if the meaning encoded was of one issue being conditional on the other, as was the case with a *distributorship/marketing* tie maintained by the Aquascot parties in both Hewlett and Pleda groups. But it was not automatically productive if marketing was tied to another topic as an argument. Pleda Cobber, having once agreed to be responsible for marketing, were not very successful at using the marketing expenses as an argument for lower costs ex UK, despite constantly reviving it for that purpose. On the other hand Volvo Cobber did reach their goal (and handsomely, at entry-point level) of making the suppliers responsible for marketing, by reiterated arguments that the desired sales targets (a high-priority issue to AquaScot) were dependent on their marketing support. Therefore it would seem to be true that conditionality, *if ... then* is effective bargaining language, but particularly so when negotiators have enough information to determine which issues are of high or low priority on the other party's agenda, and when the tied issues can exploit the differences in priority between the two sides.

The practitioners' axiom that nothing should be irrevocably conceded until the entire package can be made final certainly seems sound advice as far as the STEP negotiations were concerned. The successful negotiators often responded to an unwelcome proposal or a warning by reactivating an issue which had been at least tentatively settled as part of a package, renominating it as one topic in a paired or (less frequently) multi-topic turn where it could be log-rolled along as part of a new better-for-self proposal. This was the case with the *exclusive distributorship* raised by Pleda AquaScot in their turn 95, and with the *rival distributors* topic which was raised almost exclusively in response to aggressive proposals or warnings of difficulties in meeting sales targets. However in Transtema group we saw a case where *marketing* was conceded by Aquascot voluntarily, without any conditionality being



encoded in the utterances offering the concession, and without any direct statements of demands from Cobber; we speculated that this may have been done in the service of some larger strategy concerning mark-ups, etc.

The form of concession in these data showed great variety, ranging from *Okay: I think I can arrange ...* (Transtema) to nothing at all in the case of Pidea group where the *marketing* issue was conceded by Pidea Cobber without there being any utterance on that topic in their discourse that could be described as fulfilling the felicity conditions for Concession or even direct Agreement.

In relation to warnings and argumentation, these data showed many instances of effective use of one particular politeness feature, as the negotiators switched between contrastive first person/second person pronouns, or capitalised on the solidarity encoded in inclusive *we*. This was mentioned by the writers reviewed in Chapter Two, but it seemed from the STEP negotiations that there is much more (perhaps unconscious) information encoded in pronoun use than non-linguists have heretofore appreciated.

### 6. 3. 2. Directness/Indirectness

Apart from conditionality, there were very frequent indirectness markers of many kinds in the discourse in all groups. According to the negotiation writers, the value of indirectness lies in its ability to (a) screen sensitive information, and (b) avoid or control face-threatening force. But in connection with the second, they also warn that lack of directness can weaken the force of demands and arguments. In these data there was no bluffing on the *marketing* topic, and in most instances indirectness was less successful than direct statements of proposals or wants, unless (as in the case of Transtema group) one party was willing to forego the openings offered by hedged and appeasing statements of demands in favour of another tactical advantage.

The more effective negotiators were those who used directness to make their demands and commitments credible. In the turns on *marketing* there was a tendency for certain individual negotiators to be more direct than others. This seemed more a matter of individual variation than of linguistic or cultural background, but whatever the cause, it is likely that certain negotiators' skill was compromised by their operating on a personal or cultural 'default setting' in terms of directness/indirectness. Being sufficiently conscious of the way these are encoded would enable bargainers to make adjustments when opponents' negotiating style is revealed, a necessary tactic pointed out by Rose (1987). In these data the degree of directness appeared to be varied in one case in response to the interpretation of signals: in Volvo group Cobber's demands became more direct as the interaction proceeded, in response to AquaScot's continuing signs of hesitancy, hedging and indirectness in stating and pressing their own wants. We will discuss this again when looking at the use of question forms.

### 6. 3. 3. Discourse control

In discussing the marketing turns little attention was paid to interruptions, but one discourse interaction feature that did show up strongly was pause length. In Hewlett group there were frequent pauses of two seconds or more often followed by queries or clarification /confirmation attempts. Parties would sometimes start a turn, pause, and then self-select to continue the turn, changing from the first proposition to quite a different one. This does not seem to be the sort of expansion or modification of propositions mentioned by the Conversational Analysts as typically following a silence indicating the hearer's dispreferred response. Instead the changed proposition sounds more like evidence of uncertainty and re-thinking on the part of the speaker. This pattern of pauses appeared to contrast with that in Transtema group, where equally frequent long silences after proposals during the actual trading turns (tAqN\* 42 - tAqN\* 44) did not result in reformulation, nor were they treated as aggressive or intimidating by either side, but as expected requirements for processing the altered

information. The silence-following extra concessions or over-hasty unconsidered responses warned against by the practitioners did not materialize even once in these data.

#### 6. 3. 4. Question forms

In developing the *marketing* topic the negotiators used question forms in various ways. For example in Volvo group, vCbN\* used tag question forms (*Right ?*) at the end of clauses during justification or argumentation turns, apparently to induce AquaScot's agreement to his interpretation of the overall situation. Such tags were almost entirely absent from the other groups' discourse. But there were many examples of open questions. The ones which elicited the most information were those early queries such as *have you planned to do any specific marketing effort ?* or *what would you be willing to offer us ?*. In the case of Transtema group each party in succession used such a question, each time stimulating a further signal about willingness to cooperate on the issue. But such open-ended questions had a tendency to be ineffectual when paired, even conditionally, with a concession, as in *I mean if we do put in all the money, what are the tradeoffs ?* said by vAqN\* in Volvo group. To this the reply was tantamount to *you get what you've already got*, something the practitioners did not think to warn negotiators against.

## CHAPTER SEVEN: Conclusion: crossing many boundaries

Words change their manners when they change their country,  
Dr. Johnson; Introduction to *The Dictionary*

This thesis began with a reminder that a variety of academic disciplines are interested in negotiation for many reasons. It was suggested that to those applied linguistics could add its own reasons: wanting to further refine the concept of communicative competence, and wanting to improve the language performance skill of negotiators. In the light of what I observed in the STEP data, I would like first to outline what I see as the research priorities and opportunities that exist for further investigation, and then after that to make some comments and recommendations about pedagogy.

### 7. 1. RESEARCH: CROSSING INVESTIGATIVE BOUNDARIES

When people speak it is impossible to fix firm divisions between tactics and language use, between information management and interpersonal relations, between one speech act or one topic and another, even between truth and falsehood. In speech psychological and linguistic boundaries are being crossed constantly. This creates, particularly in a speech event with complicated motivations like negotiation, an intricate environment of communication that repays further research. In dealing with the data from the eight STEP simulations one is struck by the richness of analysis they could afford.

#### 7. 1. 1. Lines of investigation: different approaches, common goals

This thesis would have been inconceivable without insights and evidence afforded separately by both social science and language research. As is evident in the definitions of negotiation in Chapter One, the two types of investigation have a common goal of understanding better how communication works, but from one perspective or the other it is not

always easy to make the necessary connections. Integrated interdisciplinary research into negotiation is desirable; Donohue et al (1983) indicated some points of overlap in lines of investigation, and many more could be found today. The supposed incompatibility of methods and research paradigms should not be allowed to distract from the benefits, when valuable and scarce data need to be exploited to the full. Many research targets do not merely present an opportunity for cross-disciplinary research; their success is virtually dependent on each discipline bringing to the project its particular investigative strengths.

#### 7. 1. 1. 1. Different research paradigms

Burton (1980: 119) claims that a linguist's first research problem is to frame questions capable of extracting useful information about a system (language) in which elements are mutually and simultaneously causing changes in one another. For Gottman (1979: 292) "The word 'theory' should mean explaining patterns in well-described phenomena", and Fisher (1982) supports an explanation-following-description image of language research when he suggests that instead of starting with the past (i.e. causes), research hypotheses should concentrate on the present evidence, seeking first to describe *WHAT* and then *HOW*. After that, "In asking 'what' and 'how' questions, it is but a small step to the longitudinal questions regarding development ('HOW COME' questions)." (Fisher 1982: 207) He feels that linguists must stop there, *WHY* (i.e. motivation) questions being in his opinion unanswerable. But those are the very questions that social-psychologists set themselves to answer, according to Robinson (1985). Their willingness to make guesses about unobservable phenomena and to test those guesses with experimental exactitude, as opposed to the linguist's interdict on guessing but tolerance of the uncontrollable conditions of observing naturally-occurring data, has in the past made cooperation between the two disciplines uncomfortable. However, like many contrasts (between male and female, for example) the differences in research approach can be either a source of mistrust or an occasion of creativity. To be the latter requires experimental designs and research methodologies which enhance one another, thus enabling the different approaches to cross

research boundaries both to bring each other information, and to open previously unmanageable areas of enquiry.

#### 7. 1. 1. 2. Common problems

All disciplines studying negotiation share common methodological problems over and above the complexity of what they are studying. There is the difficulty of getting data, referred to in Section 2.1. of Chapter Two, occasioning the need to take full advantage of what is available. Long texts are another problem, referred to particularly in Section 3.6.1. above. By mapping the topics in the STEP data, and showing how the resulting pattern affords a systematic way of selecting specific exchanges or short stretches of discourse for more detailed examination, this thesis has demonstrated a first level of analysis which can make handling long texts more manageable whatever one's ultimate research target.

Discourse analysis can also help solve a fundamental research problem discussed by Putnam and Jones (1982a) i.e. ensuring that one is investigating an event of negotiation, and not a different speech event like problem solving, argument, or debate. Debate, argument and persuasion are all tactics used in negotiation, but of themselves they do not constitute a negotiation event. The work of Wagner (1990) in determining which occasions of speech are in fact negotiations demonstrates how social science and linguistic evidence can complement each other, with the former supplying the defining criteria (i.e. aspects of mutual dependency) and discourse analysis supplying the means of measuring adherence to those criteria. According to Wagner the *negotiation defining elements* include "... certain activities which have to be done by the use of language" including the stressing of common interests, and explicit references to the interrelation between both parties' goals.

#### **7. 1. 2. Pragmatics and negotiation research**

The potential effectiveness of language analysis in supporting other forms of analysis and observation becomes clear when one thinks of the conceptual framework of pragmatic competence discussed in Chapter Three.



The final states of the **information** in a negotiation speech event, and the **interpersonal attitudes** engendered, are the outcomes of meaning built through many simultaneously active language systems (phonological, syntactic, semantic, pragmatic) by some process or processes. When social scientists engage in purely descriptive studies of negotiation, they seem to be addressing the *WHAT* question: what happens in negotiation. In this context, Druckman says that for negotiation research,

Hard evidence takes the form of data of observations made under specified conditions and subjected to a series of analyses designed to isolate the critical factors that tend to facilitate or impede efforts to reach agreement.

(1977: 15)

This is in the most respected traditions of the investigative paradigms of the physical sciences, based (pace Chaos Theory) on assumptions of linear causality, but given the interaction of change-causing forces in negotiation (as in language), research is unlikely to isolate individual 'critical factors', in Druckman's terms. In the STEP data language strategies like open question use which worked towards negotiating success for one negotiator were not equally productive for another. Early linear causality archetypes of negotiation were reformulated to take into account the real complexities of a speech event defined by conflict, mixed motives, and mutual dependence. But despite the change to a multi-factorial model of negotiation that took tactical manipulation of meaning and concession into account, even now many non-linguistic bargaining studies focus on a linear connection between negotiator's attitudes and motivations and the negotiation outcome, sometimes using for the purpose coding systems (like e.g. the Bargaining Process Analysis described briefly in Chapter One) which assume that certain feelings motivate certain codable behaviours which then have an impact on settlements. This must have limitations. The data analysed for this thesis, for example, although by no means high-conflict negotiations, fit Raiffa's (1982) description of bargaining discourse as confusing, with an unusually high proportion of topic shifts and red herrings, and an unusually low degree of candour. Threading a way through this, both as speaker and hearer, is thought to constitute part of a negotiator's

skill. So even carefully designed studies (like those into Machiavellianism and attitudes to managerial style reported in Lewicki and Litterer 1985: 267-277) are largely inconclusive precisely because researchers cannot reliably fix on one critical factor in motivation, nor cope with the complicated variables of bluffing and other strategic use of commitment which make outward signs of affect unreliable.

Collocations like 'unusually high' and 'unusually low' in the preceding paragraph remind one that only with discourse analysis will we be able to determine the real extent to which pragmatic complexity in negotiation varies from that in other speech event types, or to find the patterns of topicalization typical of different sorts of negotiating speech events (Hinds 1979). With this knowledge researchers (and of course participants) might be able to recognise sooner and more clearly the discourse macrostrategies and speech macroacts that opponents build. It also seems likely that the sociopragmatics of negotiating domains, and the pragmatic macrogoals of an individual negotiation event, might be more clearly revealed by linguistic investigation than by other approaches. For example in respect to warnings or concessions, linguistic analysis can make fundamental contributions to negotiation research first by establishing -- perhaps by recognition experiments -- more reliable felicity conditions for particular acts, second by clarifying the rather woolly distinctions between different orders of acts (social, discorsal, etc.), third by making clearer to other investigators that there is no one-to-one relationship between speech act and utterance, and fourth by tracing the sequence of acts in discourse. In all of these topic analysis can be of help, by locating discourse exchanges where the complex interaction between simultaneous speech acts (say discorsal + commissive) and between adjacent speech acts in one utterance (proposal on one topic, justification on another) are found, and --as in the last chapter-- by narrowing the number of topics across which a sequence of acts is plotted. Indeed an accurate plot of a speech-act sequence, an aspect of negotiation interaction already considered as statistically significant by social science researchers (Putnam 1985; Grinstead 1990), cannot be properly made without taking into account the complex patterns of insertion and

multiple embedded sequences in naturally occurring speech interaction, which discourse analysis, particularly the work of Conversational Analysts, has made us aware of.

Finally, in respect to commissive speech acts the experience of practising negotiators is that aggressive commitments (threats) are less productive than positional ones (concessions and promises) but they sense that much of the counter-productive aggression resides not in the proposition expressed or in its place in the sequence, but in the way its pragmatic force is interpreted. This was shown to be so by the strong defensive measures taken in the STEP simulations when the pressure topics of *rival distributors (Agency)* or loss of *future business (Contracting Out)* were raised however obliquely. An obvious goal for negotiation research is therefore to build up more systematic knowledge of what to hearers signals the threat, warning or promising force, and of the ways that negotiators exploit the pragmatic tension between sense and force meaning (in e.g. a hedged statement like *I can't see any reason myself why we couldn't continue the contract in the future*) to protect their positions and yet simultaneously enhance their influence.

### 7. 1. 3. Discourse analysis and negotiation research

The topic analysis in the preceding chapters was dependent on the concept of 'a turn.' At the level of discourse pragmatics, social science has found use for the units (transactions, exchanges, turns, etc.) defined by discourse analysis. In them it is possible to see the concrete evidence of behaviour through speech. These units have been seen as prerequisites (Clark 1983) to a 'grammar of behaviour' which would enable the social psychologists' search for an association (WHY) between one behaviour and another, between a sequence of behaviours and outcomes (the WHATs). The data analysed here suggest that useful discourse patterns between units are transitions between speakers, shifts from one topic to another, the length of turns related to their speech-act function, and the position and length of silences.

Perhaps because the writers assume that most negotiation takes place between people with a common code, there is less attention paid than one would expect in the non-linguistic literature to aspects of interaction like turn-getting and taking, aspects long seen by linguists (see e.g. Gumperz and Tannen 1979; Tannen 1984a) as essential to successful communication and as highly context-sensitive. Where turn-taking is mentioned, it is in connection with tension thought to be caused by over-long pauses, or by interruption, tensions apparent to negotiators without any -- as far as one can see -- exposure to the studies of such phenomena made by linguists. In fact in analysing the STEP data we saw signs that negotiators may be more tolerant of long pauses than ordinary conversants, perhaps in recognition of the cognitive processing load the speech event entails. Other applied linguists have been able (Fant 1989) to highlight for bargainers discourse strategies like turn length and argument sequence which affect the negotiation interaction but which have been rendered invisible in earlier studies by general linguistic competence or by shared sociopragmatics, or which have been overlooked due to the tactical rather than language focus of previous observers (van Dijk 1985.)

Boundaries are there to be crossed in applied linguistics too, some writers seeing an incompatibility between the two investigative approaches which we have informally conflated into the term *discourse analysis*, viz the theory driven top-down approach of Discourse Analysis, and the data-driven bottom-up approach of Conversational Analysis. Both approaches have produced insights which can be of use in negotiation research, DA by systematically defining the units that make up speech and demonstrating how they build meaning in interaction, and CA by meticulously working towards a detailed base-line description of discourse mechanics in the light of which any speech interaction can be interpreted. As far as *topic* is concerned in this thesis, work in DA contributed the notion of topic, and work in CA the description of the mechanics of topic shift. Research progress would seem to lie in flexibility, choosing and/or adapting research methodologies to suit various targets of analysis, and tolerating only partial answers to research questions until findings from either approach can be refined.

#### 7. 1. 4. Psycholinguistics and negotiation research

The STEP data bears out the practitioners' claims about the heavy cognitive processing load imposed by negotiating. Bargainers would benefit from conscious strategies to deal with the load (Wason and Johnson-Laird 1972.) The negotiators in our data made liberal use of summaries and confirmation checks, particularly at crucial points in the sequence, to fashion the substantive content into manageable units, but psycholinguists might suggest other avenues to pursue. They might also be able to offer a more disciplined insight into why techniques like 'active listening' seem to the writers in Chapter Two to be so helpful in both eliciting substantive information and in structuring a positive attitude in the opponents (Bavelas et al 1985.)

Psycholinguistics also seeks to investigate ways in which people's attitudes and presuppositions can affect their ability to understand communicative purposes and frame utterances (see e.g. Nunberg 1981; Steffensen 1986.) It might therefore be able to offer evidence of the real impact that clause order, or so-called "strong" and "weak" words and phrases have on negotiators' minds (Carrell 1984.) We have seen the faith that the practitioners placed in the combination of the two in controlled indirectness. Our analysis showed examples of such combination, but it was impossible to know whether it was conscious or not, nor was its efficacy particularly apparent. Insofar as *strong* and *weak* relates to choice of lexical items, local signs of indirectness, the data from STEP indicated that the force of such items is not fixed, but depends on the context and on the co-text. However to support investigations into the structuring of influence in negotiation, one would have to identify how particular syntax and lexis is interpreted by hearers in various contexts. Detailed description of directness/indirectness and the modality found in negotiation discourse, and studies of their effects on hearers' responses will be useful. Such studies could make bargainers more aware of what indirectness in language accomplishes in terms of both self-protection and politeness (Leech 1983) and of dilution of credibility. In Chapter Six we looked at a range of indirectness strategies, used for a variety of purposes and with various degrees of success. But apart from this there is as yet



virtually no concrete evidence to show what from the full indirectness repertoire (Brown and Levinson 1978) bargainers use, for what purposes, and with what effect, nor how over- or under-directness might cause breakdowns in interaction.

Conditionality, much spoken of in the literature we surveyed, should get special attention. The STEP data exhibited an extremely wide range of grammatical forms encoding conditionality explicitly and implicitly, both turn-internal and straddling more than one turn. We need to know more: within the canon of structures that encode conditionality, which are the most frequently used, how does this vary from domain to domain (e.g. between labour relations and commercial negotiating) and what if any are the performance and recognition differences between NLS/FLS repertoires. If encoding conditionality, or other un- or semi-conscious language performance skills like hedging and qualification, do in fact demonstrably produce better negotiation outcomes as the literature insists, perhaps psycholinguistics can suggest ways of making such language use more conscious and controllable (Frawley and Lantolf 1985.)

## 7. 2. NATIONAL BOUNDARIES: NEGOTIATION IN EIL

In the Introduction I stressed the importance of English as an international language as a medium of communication between bargainers from different cultural backgrounds who pursue international trade and resolve international conflict by negotiation. In every chapter we have seen ways in which cross-cultural communication might magnify the opportunities for mis-communication which exist even in a native language. Of course large plenary sessions of top level talks, attended by prominent delegates acting as their nations' representatives, have the services of translators. But at those conferences --and before-- much hard work is done in back-room ('side bar') bargaining by economists, accountants, and scientific experts who fill so-called 'boundary roles' in the negotiation process (see e.g. Sebenius 1984, describing the Law of the Sea Conference). Their medium of interaction is frequently English. We would like to know more about their language, first to determine



some of the needs of people who use EIL and second, (as suggested in the Introduction) to bring into strong relief some problematic aspects of EIL negotiating normally obviated or managed without conscious effort where negotiators have similar socio-pragmatics or language performance skills.

### 7. 2. 1. Teaching and training: the difference

This will be looked at briefly here because of perceived shortcomings in certain ESP materials and teaching methodologies which lean too far one way or the other. In fact the distinction between training and teaching is not always easy to maintain where language is concerned; the term 'facilitator', now frequently used in relation to communicative teaching methodology, came originally from training vocabulary. Training is one sort of teaching, but with important differences. These lie in what is being conveyed, how it is got across, and what the relative status of facilitator/teacher and trainee/learner is considered to be.

In teaching there is an assumption that knowledge is being conveyed, the application for which may be unknown as yet, or known only to the learner. The teacher has that knowledge, and is in charge of planning the learning and assessing the extent to which it has been accomplished. It is in having this knowledge, and in the power of judgement, that the teacher's authority lies. In training on the other hand behaviour, not knowledge, is thought to be the objective, exactly focused on trainees' wants. The trainees themselves are assumed already to some extent to have suitable knowledge, but to want an opportunity to focus, activate, practise, and perfect their skill. The trainer works -- as an equal -- with skilful trainees. Training involves (at its best) a maximum of experiential activity, not merely informational input. Trainees are also expected (as was the case with the STEP participants) to be responsible for much of their own analysis and for drawing their own conclusions as to the adequacy of their performance. ESP pedagogy must tread a fine line between giving its learners-trainees the knowledge they desire, but not giving it in such a way as to appear to deny them the respect that their existing skill entitles them to.

### 7. 2. 2. Teaching EIL for negotiating: very special purpose

When we talk about specific-purposes language teaching materials in Section 7.2.3. below we will see that many of them take as much from training methodology as from the more traditional kinds of language teaching. However if, as is the case with EIL, the majority of speakers originally learn their international language as something other than a native (i.e. first- or mother-) tongue, it follows that many will have had formal instruction; therefore for them the initial EIL pedagogy is teaching, not training.

For them, someone must decide what to teach, based on what is agreed to constitute 'sufficient' proficiency. The nature of communicative competence is a crucial issue in discussions of EIL (Nelson 1985) because of real or perceived problems of NLS advantage, and what many see as a tension between personal or national identity and the use of a non-native language. This tension leads some writers to suggest (Prabhu 1987; Johnson 1987) that the role of international languages is best limited in the main to the coding and exchanging of purely transactional messages. They would slant EIL instruction towards what Cumins (1979) calls CALP (*cognitive/academic language proficiency*) leaving what he calls BICS (*basic interpersonal communication skills*) to the native language of the speaker/learner. I am dubious about the feasibility of drawing a sharp line between the two, although presumably facts about micro-biology or new computer technology can be expressed in precise transactional language and passed on rather like a parcel. But in any event, it might not be sensible to set up such a boundary, when negotiation research has shown so conclusively that an effective bargainer must have other more affect-controlling language skills to supplement information transfer.

Significantly, surveys indicate that FLS with a particular need for occupational EIL place special value on oral/aural skills, which one may assume they need for face-to-face encounters, and they list shortcomings in these skills as their paramount language problems (Campbell et al 1983; Shaw 1983). If interpersonal skills are to be incorporated into the syllabus, however, it does raise the cultural imperialism spectre

that haunts Nelson, Prabhu and Johnson. While interpersonal skills are both needed and desired, it is unclear to what extent these desires entail wants for English native speaker socio-pragmatics. Learners' attitudes towards this are not always so easy to establish. Many are understandably impatient with what they see as implications that their normal behaviour is not 'good enough'. However if we accept that many learners want (and say they need) interpersonal skills, it would be a mistake to adopt for a general EFL or ESL syllabus a teaching model of English that did not enable EIL speakers to encode politeness, indirectness, persuasion, and so forth. What EIL speakers choose to do with these forms and strategies is up to them; Nelson answered his own (1985) question, "Whose communicative competence?" with the assertion that EIL FLS had a right to maintain exactly their own native sociopragmatics, and simply substitute English words. But as we pointed out in Chapter Three, Section 3.5.4., that can be dangerous if your interlocutor does not share the same frame. The one-time sweeping assumption of teachers and materials writers that learners are preparing to, say, do business in England or the USA is disappearing from materials, with the growth a population of English FLS who see English as a common foreign language, a way of reaching other FLS. In their FLS - FLS interaction, when an Italian is selling paper-making machinery in South Korea, whose communicative competence indeed? There appears to be no realistic alternative to incorporating an assumption of someone's sociopragmatics in EIL SP teaching materials, and to date that has been based on (largely British or North American) NLS norms, which it is hoped will act as a sort of neutral social ground on which interlocutors from different cultures can stand politely and fairly comfortably until they have had a chance to create a shared social frame. The FLS STEP negotiators seemed (as we said) NLS-like in their patterns of interaction; I wonder to what extent someone reading the transcripts 'blind' would be able to pick out the FLS from the NLS. But that may be a product of their particular professional experience.

### 7. 2. 3. English for Negotiation: ESP teaching materials

Many of the books reviewed in Chapter Two were written on the assumption that negotiation is a trainable craft. But as part of that

training, how is negotiating language to be taught ? Specific Purposes materials have laid themselves open to well founded criticism (see e.g. Wilson 1988 on ESP for meetings) on two broad fronts: over-elaborate exponent inventories, and low authenticity. Many English for Negotiating materials show these shortcomings. If the purpose of the language course is to improve EIL negotiating skills, then giving inexperienced learners too many forms to remember, of uncertain pragmatic force, and too little understanding of the constraining features of the speech event, is likely to distract them from what language means in this context, and how it drives the negotiating process, thus making them less productive as bargainers, rather than more.

Good teaching of EIL for negotiating should have two aims:

- 1 to increase learners' awareness of the social-psychological goals of the negotiation speech event, of the role sociopragmatic assumptions play in it, and of how language expresses that, and
- 2 to improve general language performance skills, particularly as regards those syntactic and discoursal features that enable speakers to frame comprehensible and appropriate utterances in a variety of situations.

The first aim is already prominent in material writers' minds (see e.g. Neu 1986), and is seen in the way that most recently-produced materials draw attention to the stages of negotiation, or the differences in negotiating styles in different cultures, and to the need for politeness strategies. But the improvement of language performance skills is less well accomplished, although intentions are good and the subject matter is familiar to language teachers.

From among the many language features and skills picked out in Chapter Two as enhancing negotiation influence, the analysis of the STEP data would prompt me to select these as being particularly germane to a negotiating ESP syllabus:

- Using clarification questions (open, not yes/no) to lure out information
- Recognising and producing commissive speech acts like promising,

warning, and proposing, and within those acts being able to use cohesive forms to join topics together to keep issues log-rolling forward as sources of influence throughout the interaction, and to express the conditional basis for acts of commitment.

- Good summarising skills for confirming and consolidating proposals
- Recognizing major means of moderating directness and politeness, e.g. modality, question forms, sympathetic pronoun use, negation, etc., and how these can enhance or detract from an utterance's effectiveness, depending on the pragmatic goal.
- Listening carefully for, or signalling, a move from one stage to the next, or a concession. In this respect I would focus on *wh*-clefts, pronoun use, and various signs of indirectness.

To these language features used to good effect by the STEP negotiators and recommended by the trainers, I would add practice in

- Notetaking during interaction
- Recognising different styles of argumentation (logic; appeals to history or norms; rhetoric)

Most recent materials cover the first set in one way or another, although insufficient attention is paid as yet to cohesive forms, listening skills, and the value of directness in stating demands. None, so far as I know, cover the second set in any coherent way.

Some of these objectives would be constrained by trainees' proficiency levels. One assumes that a person would need at least upper intermediate language proficiency realistically to take charge of negotiating for an institution, but informal bargaining -- if only for consumables -- may be a target for those at lower levels. Whatever the target level, two things should be central to any presentation of language for negotiation: first, the purpose, expression and recognition of *CONDITIONALITY*: this involves language systems from word level (lexis like *based on*; use of modal verbs like *could* and *might*) through clause level (*if...then*) right up to the pragmatics of discourse macrostrategies and topic control (making clear the fact that concession A is tied to condition X.) Here I would not stint on recognition of the function of

exponents: much conditionality is unmarked by explicit cohesive markers (as the STEP data demonstrated) and it is important to point out that fact.

The second essential is practice in some form of active listening, where the hearer repeats back, without reaction or gloss, what s/he has understood the speaker's message to be. This in my experience can be a hard skill for learners to master, especially on topics about which hearers hold strong views, but it has an enormous impact on the outcomes in simulations. Time is saved (no need to loop back again and again to arguments one feels the other side didn't take into account) and frustration lessened. Good relations engendered are often robust enough to survive an almost immediate rebuttal of the proposition, provided the first speaker has the comfort of being properly heard initially. It is important to give trainees direct experience of two facts: (1) that information-gathering receptive skills are needed for successful negotiating outcomes, just as productive skills are, and (2) that FLS are not necessarily at a disadvantage when dealing with NLS. They have a good excuse to dwell on painstaking efforts to understand, clarify, and confirm, which are repaid by more information than might otherwise emerge.

I do not wish to suggest that present ESP course materials overlook these various elements. All incorporate some of them, and many stress the importance of the interpersonal function: "The basic assumption is that a business person will speak English to achieve a result and that in order to do so a rapport has to be established first with somebody somewhere" (Poté, Wright, Esnol, Lees and Soulieux 1985). However the criticism of exponent overload is a valid one. In every book learners are confronted with batteries of useful phrases, graded as to formality. Some recommended holophrastic formulae are very long indeed. The glossaries of these that introduce (Goodale 1987) or accompany (O'Driscoll and Pilbeam 1987) the coursework satisfy learners' desire to know just the right way to say something, but do not always actually enable them to use it with grammatical accuracy or pragmatic appropriacy. The Teachers' Book may contain reminders to point out to



learners that (e.g.) *Can we suggest...* can be followed by the gerund as well as by a clause such as *that you give us...*, but promotes very little controlled practice in these exacting formal structures. An exception is White and Khidhayir (1983), which is organised around a structural syllabus and incorporates guided language practice as well as fluency activities.

If one must choose, I feel it is more important for learners to grasp that interpersonal relations are pivotal in negotiating success, than for them to be introduced to sets of useful phrases which outstrip their language performance skills. A canon of exponents may benefit learners who are already experienced (and successful) negotiators, and who have identified a gap in their EIL proficiency. For others, better to give more time to realistic micro-practice of negotiating interaction and its pragmatics, and curtail the number of exponents to be assimilated.

There is an even more fundamental problem regarding fluency activities for teachers wishing to teach EIL for negotiating. Materials writers have encountered the problem raised by Wagner (1990) and Putnam (1985), that of actually focusing on the speech event of negotiation. With a few exceptions (Brims 1982; Lees 1983) the ESP materials writers have concentrated on meetings and problem solving activities, which exercise discussion and debate skills but not specifically negotiating ones.

There is a final related difficulty. In the dedicated courses which do focus on negotiation, and one or two courses which incorporate a negotiating unit (Howe 1987; Poté et al 1985) the 'set-pieces' of such courses are simulations, just as they are for straight negotiating training. But ironically in the light of the comments above about calls for a CALP-dominant teaching bias, many negotiating English courses do not adequately reflect the weight of tactical use of INFORMATION in negotiation. Some (e.g. Brims 1982) incorporate pre-negotiating inter-party meetings where 'facts' can be ascertained and clarified. In language teaching, of course, it is usual to pre-teach certain lexis or other matter to make the 'real' work of a simulation or role play more manageable, but such fact-trading preliminaries are utterly against the

real-life processing and strategic demands of negotiating, where protection of one's own information, and interpretation of the others' hedging, is part of the peculiar cooperative essence of the speech event. As has been said before, joint problem solving, or debate, is not negotiation. Lees (1983) shows greater awareness of the context features of negotiation, but by emphasizing over-wordy exponents for hedging, disagreeing, and so forth he places unreal production burdens on the learners. It would surely be better to grade simulations (and their briefs) in terms of cognitive content, complexity, degree of conflict and so on, so that trainees learn to manage a realistic interaction in easy stages, rather than to distort the speech event's context features to make it easier to handle.

It should be pointed out that the recommendations for syllabus elements above are prompted by the experiential reports of real-life negotiators, and by the analysis of the STEP tapes. As yet, their effectiveness has not been tested or observed by applied linguists, a handicap shared with much ESP material (Johns 1986.) Until we know more, what can we conclude about how language teachers can help learners improve their negotiating skills in EIL? First, language is more of the essence of negotiating than it is of, say, medicine. For that reason, the ideal facilitator/teacher would have both language teaching and negotiating training expertise. Second, since all research agrees on the vital role the management of interpersonal relations plays in negotiation, any EIL for negotiating course should first take into account the social, psychological, and cultural verities, and only second start assembling anything beyond essential language inventories. Most of us know when we're (e.g.) being interrupted, and can learn quickly a neutral way of framing our own interruptions (yes, *but...*). What we don't grasp so easily is when to interrupt, or why we feel so irritated when the other side cuts in.

#### 7. 2. 4. Training cross-cultural negotiators

So far we seem to have been concentrating only on FLS of EIL. But this is only part of the story. We have said that EIL is not a variety of English, but English used by FLS and NLS alike, in a certain context of

use, i.e. where the speakers come from different cultural/national origins. It follows from this that NLS will also require training if they are to be effective speakers of EIL. This is the stuff of cross-cultural training, already a thriving industry. The calls for cross-cultural training for negotiators (Beneke 1983) are being met specifically (Ulijn and Gorter 1989), but EIL language training for NLS has been largely overlooked. What might it incorporate ?

Communicative competence must encompass not only knowledge of the correct standard usage of the language, but also some instinct for when certain speech acts are appropriate, and which exponent to choose. These 'instincts' are the culture-specific presuppositions spoken of in Chapter Three, which may be unhelpful in an EIL encounter. Interaction in EIL of its nature entails the following linguistic and social probabilities, which are potentially different from those that govern NLS/NLS discourse: the normal native-language levels of linguistic predictability are overridden. Interlocutors cannot assume automatic interpretability of specific language features, be they forms or functions, nor count on any particular level of proficiency, high or low. They cannot expect the use of a certain accent, nor presuppose effortless mutual intelligibility. They cannot rely on shared socio-pragmatics in terms of politeness conventions or discourse strategies (turn-taking etc.) Wide variation on these factors is possible, depending on the specific circumstances which apply to a particular speech event. The only thing that is certain in an EIL speech context is implied in the use of the adjective *international*: the speech situation will entail cross-cultural communication, which may in turn involve the interlocutors' need to accommodate themselves to unfamiliar styles or pragmatic conventions, and to varying degrees of lack of proficiency. Differences may be small or large, but they will exist. It is necessary and possible to go beyond general consciousness raising to train EIL NLS to recognise particular features that may need adjustment.

Negotiators acknowledge that different language domains seem to require different language registers, patterns of interaction, levels of indirectness, and so forth. They could benefit from a more systematic

description of the language variables between one domain and another, and a clearer understanding of the social pressures that bear on language use, both of which are well-developed foci of research in sociolinguistics (see e.g. Gumperz 1972). Writers who address the problems of cross cultural negotiation (Fisher and Ury 1981; Gulliver 1979; Kennedy 1985; Pruitt 1981) give examples of the mis-cuing and consequent inefficiencies which can arise. So far, however, these infelicities have been mentioned only for the warning they give of different cultural orientations -- signals of attitudes to time, power-expression, truth, or intimacy. To date little attention has been paid to the linguistic features which encode these differences in outlook, and which therefore trigger misunderstanding. Noticing such features could be a target in the post-simulation debriefings that are part of negotiating training.

Regarding negotiation training, we said that the literature demonstrates a general presumption that all negotiators share the same code (English) and sociopragmatics (English native speaker) despite the fact that many of the examples used, particularly by the researchers, are taken from international negotiation. Only a few writers (Kennedy 1985; McCall and Warrington 1984; and especially Le Poole 1987) suggest that English NLS negotiators should expect to have to negotiate in another language or at least know a little of it for politeness. Certainly negotiators could benefit from awareness of the impact on power balance of choosing one language over another for interaction (Bourhis 1985.) In addition, they might find it useful to discuss to what extent inefficiencies arise for both sides owing to the added interpretive difficulties experienced if one or both parties are not native speakers of the chosen language (Beneke 1983), and which language features give rise to serious interpretive breakdowns (Candlin 1982.) Take for example one clearly definable language system: Fillmore (1985: 18) catalogues ways in which segmental phonology underpins discourse intelligibility. STEP negotiators (FLS and NLS alike) encountered this in a minor way with numbers, having to check to be sure that *forty* was not being interpreted as *fourteen*. As far as I know, the effect of intelligibility on negotiation interaction has not yet been studied. Candlin (1982)

suggests that intelligibility is as much an artifact of will as of cognition. 'Different', 'foreign', often feels 'bad'. Adverse stimuli may include pronunciations which are associated semi-consciously with ignorance or a lack of education, or misinterpreted intonation patterns. Both the speaker and the hearer are in jeopardy here, and the problem is all the more acute because of the extent to which our interpretation of and response to intonation are unconscious. 'I didn't like his tone of voice' is always easier to say than to explain. It is likely that NLS are more vulnerable to this than FLS, just because they take the intonation system so unquestioningly as a part of 'their' variety of English. Cross-cultural training offers a variety of exercises to make EIL negotiation trainees aware of this, and to give them the experience of the effects of moderating intonation.

#### **7. 2. 5. Language as part of general negotiation training**

One assumes that there are differences in discourse in any instance of NLS language use as opposed to FLS language use (Gumperz 1982a; Littlewood 1983.) In fact, by extension of this logic, there are differences between NLS and NLS from different socio-cultural backgrounds (Tannen 1984a), differences between NLS and NLS from the same sociocultural background in different domains of use, and so on. One assumes that if knowledge about negotiation is advanced by research as suggested in the first part of this chapter, then the insights gained will make the mechanics of negotiating language more understood and valued. With understanding, discourse strategies will find a more explicit place in general negotiation training (and incidentally the briefs for simulations may also be made easier to follow). But already as we saw in Chapter Two, many of the practitioners' tips for good negotiating are in fact tips for good language use in that context.

#### **7. 3. CONCLUSION**

This thesis has argued that negotiation is a suitable target for applied linguistic research because it is a widespread and important speech event for which people need language performance skill, because

it tells us a great deal about how language systems at all levels operate, and because other research disciplines and professional negotiators alike have called for linguistic support in their investigations into how negotiation works. Research-methodology problems of access to data and discourse complexity should not deter investigation: the practitioners themselves through their writing have already mapped out areas of language awareness such <sup>as</sup> topic management, commissive speech acts and indirectness of speech which, although only impressionistic as yet, can serve as a focus for linguistic investigation such as that reported in this thesis. This will in turn augment research undertaken in other disciplines. Future research projects will only be enhanced by greater cooperation and greater awareness of the fundamental role language plays in negotiation.

The potential for conflict between individuals, institutions and nations remains as great as ever, and negotiation is the safest means of conflict resolution. 'Talks' implies language. At this point in history, international talks most frequently entail English as an international language. Whatever the circumstances, it behoves applied linguists to do everything possible to make both negotiating and English efficient for all negotiators, native-language speaker and foreign-language speaker alike. A look in today's paper shows us whose livelihood, and even life, depends on it.

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*Trading Words; English for Negotiation* BBC World Service

The Department of Civil Aviation contracted out its payroll processing to Omega, a computer bureau, ten months ago following a directive from the Government to implement a privatisation policy at all levels of the Civil Service. Omega won the contract in the face of stiff competition from both local and foreign companies. The contract is for five years and is worth £18,000 per year to Omega.

Last month a data processing error and a machine malfunction resulted in a failure to process the payroll, resulting in the Clerical and Ancillary Staff grades not being paid on time. Considerable disruption occurred at the national airport when staff either left their posts or held meetings on the concourse, and trouble was only averted when emergency payments of course, and trouble was only averted when emergency payments of fixed amounts were paid manually.

The following letter was sent to Omega by the Department:

"Dear Sirs,

Further to our numerous telephone conversations regarding the failure of your company to process our payroll in accordance with your contract, we set out below our attitudes on this matter.

1. As a result of disruption at the national airport, caused by staff seeking their wages from the pay office once rumours had spread about not being paid, we face several claims for compensation from some of the carriers who were delayed in consequence.
2. Our liability for liquidated damages, if these claims are established, is estimated to be £10,000. We hold you responsible for this amount should the claimants pursue the issue
3. The actual cost to the Department of an emergency processing of the payroll manually was £1000.
4. We require an immediate reimbursement of the £1000 payroll costs and reserve our right to seek additional claims in the event of future costs being awarded to the carriers.

Yours faithfully"

## CONTRACTING OUT (I)

## SELLER'S CONFIDENTIAL BRIEF

1. The Department of Civil Aviation is an important client and you have been discussing a considerable increase in the level of business to include the computerisation of accounts, costing, traffic scheduling and personnel records. The present level of business represents about 20 per cent of the total available. Your profit from the payroll service is £550 a month.
2. Your investigations into the problem have revealed the following facts (the Department is not yet aware of this information):
  - a) Incorrect coding data was provided by the Department staff (wrong tax week number), which your operator failed to notice.
  - b) You also suffered a major computer malfunction which did not allow the job to be re-done for two days. Your attempts to run the payroll on your back-up computer were foiled by the incorrect data.
3. Your information concerning the points in their letter is as follows:
  - a) If they break the contract they suffer a penalty of £5,300.
  - b) The press has reported several times recently that industrial relations are poor in the Department, particularly among airport-based staff. Trouble has been brewing for some time and was not solely caused by the payroll problem. You will also want to discover the present situation of the carriers' claim on the Department.
  - c) The £1000 cost for manually preparing the emergency payroll is extracted from the estimate you prepared for the original quotation of the work.

## CONTRACTING OUT (I)

## BUYER'S CONFIDENTIAL BRIEF

1. Omega have made extensive efforts to sort out the problem. Their service has been satisfactory up until this incident. You have had discussions with Omega on the computerisation of accounting, costing, traffic scheduling and personnel records, thus potentially increasing their level of business by a factor of five.
2. Since you sent your letter you have heard from the carriers, who were heavily delayed during the staff disruption at the airport, that they have either dropped their claim for liquidated damages or sharply reduced them. Your present liability is set at around £1,700 but may reduce further as you talk to the carriers.
3. The claim of £1,000 for paying out emergency funds refers to the labour cost of issuing cash only and is the figure quoted by OMEGA for this specific task in their original analysis of the payroll processing costs. It does not include the full costs of the original manual payroll system.
4. You could change your bureau if they do not come some way towards meeting you.
5. There is a penalty clause of £5,300 if YOU break the contract.
6. Industrial relations in your department are poor.

## CONTRACTING OUT: Issues

PARTIES: Civil Aviation Dept (Buyers); Omega Computers (Sellers)

BACKGROUND - general brief:

contractData processing error & computer malfunction

- |                                    |  |
|------------------------------------|--|
| (1) 10 mos old; 5 yr term;         | (1) caused late payment of wages               |
| (2) won against stiff competition; | (2) led to walkout, disrupted flights, etc.    |
| (3) worth \$36K p.a. to Omega      | (3) cost of emergency manual wages payout \$20 |

ISSUES:

	General Brief	Aviation's Private Brief	Omega's Private Brief
CARRIERS' CLAIMS FOR COMPENSATION	<ul style="list-style-type: none"> <li>• 'estimated at \$20K' if claims pursued (Av letter)</li> <li>• Av holds Om responsible</li> </ul>	<ul style="list-style-type: none"> <li>• claims actually dropped or reduced</li> <li>• real claims c, \$3400 or less</li> </ul>	<ul style="list-style-type: none"> <li>• need to find out present situation about carriers' claims</li> </ul>
PROBLEM - COMPUTER MALFUNCTION	<ul style="list-style-type: none"> <li>• computer broke down (2 day delay)</li> <li>• numerous phone calls made to Om</li> </ul>	<ul style="list-style-type: none"> <li>• Om tried hard to sort out</li> </ul>	<ul style="list-style-type: none"> <li>• Om had a major malfunction lasting two days</li> <li>• backup computer is always available</li> </ul>
PROBLEM - DATA CODE ERROR			<ul style="list-style-type: none"> <li>• Av gave Om a wrong data code</li> <li>• Om staff didn't spot AV error</li> <li>• wrong code foiled backup computer</li> </ul>
\$2000 COST OF MANUAL PAYOUT	<ul style="list-style-type: none"> <li>• Av demands reimbursement for this from Om 'immediately'</li> </ul>	<ul style="list-style-type: none"> <li>• \$2000 is for labour only, not the full cost of setting up a manual pay-out system initially</li> <li>• \$2000 figure based on an earlier Om quote</li> </ul>	<ul style="list-style-type: none"> <li>• Om's own estimate for doing a manual payout was \$2000; this is not necessarily the real cost of the operation</li> </ul>
PENALTY CLAUSE FOR BREAKING PRES. CONTRACT		<ul style="list-style-type: none"> <li>• Av must pay \$10,600 penalty if THEY break the present contract</li> </ul>	<ul style="list-style-type: none"> <li>• If Av break the existing contract, they must pay a penalty of \$ 10,600</li> </ul>
EMPLOYEE RELATIONS		<ul style="list-style-type: none"> <li>• Employee relations in the Av Dept are poor</li> </ul>	<ul style="list-style-type: none"> <li>• reports of Av's troubled employee relations have appeared in the press in the past</li> <li>• payroll trouble not the real cause of unrest</li> </ul>
INCREASED FUTURE WORK		<ul style="list-style-type: none"> <li>• have had talks with Om about further computerisation</li> <li>• new contracts worth 5 times the existing one</li> <li>• Av could give existing and new business to another bureau</li> </ul>	<ul style="list-style-type: none"> <li>• the present contract only represents 20% of potential work</li> <li>• Have already had talks with Av about developments</li> </ul>
LIABILITY CLAUSE IN FUTURE			
PRESENT VALUE OF BUSINESS			<ul style="list-style-type: none"> <li>• Av are an important client</li> <li>• the payroll contract profits are \$1010 p.m.</li> </ul>
CUSTOMER SERVICE & GOODWILL		<ul style="list-style-type: none"> <li>• Om gave good service up to now</li> </ul>	

## CONTRACTING OUT: Outcomes

## ISSUES:

	Hewlett	Pieda	Transtema	Volvo
CARRIERS' CLAIMS FOR COMPENSATION	Om pay \$ 4000 , i.e. 50% of 'estimated' \$8000	Om deny responsibility, Probably no claims but IF any are pressed, Om will get discount on new contract to cover them, Top limit \$20,000	Om pay \$ 18,000 within 'normal trading terms, charges and rates'	Om pay \$ 7500 (i.e. 50% of \$ 15,000
PROBLEM - COMPUTER MALFUNCTION	Om accept 50% of blame for payroll problem	Really Av's fault due to data code error, Om deny any responsibility	Om blame 100 % because the malfunction caused the upheaval	Om blame 50% ; they were responsible for the malfunction
PROBLEM - DATA CODE ERROR	Av accept 50% of blame for payroll problem	Av accept most of the blame	Av deny blame, If error occurred, Om should have spotted it	Av share blame 50%; data code error admitted
\$2000 COST OF MANUAL PAYOUT	Om pay \$1000 (50%) Av pay \$1000 (50%)	Om pay \$2000	Om pay \$2000 'immediate'	Om pay \$1000 (50%)
PENALTY CLAUSE FOR BREAKING RES. CONTRACT	mentioned briefly, then dropped	mentioned briefly by Om as a threat to Av	Av charge this to Om (i.e. \$5000 of the \$18000 is attributable to this) Existing contract then re-negotiated (see below)	never mentioned
EMPLOYEE RELATIONS	Av do not admit, despite Om mentioning several times	Om assert strongly, as contributing to the payroll upset, Av try to down-play	Av strongly deny; will 'investigate' Om's hints	Av blame upheaval entirely on Om ( this topic only one early exchange)
INCREASED FUTURE WORK	Amount mentioned \$180K p.a. Om get 'first refusal' on any future contract being offered	amount mentioned 'c. \$1million ' Om guaranteed 100 % of this	Om not barred from tendering like any other company	Om may be commissioned to do a study (potential fee \$5000) of Av's needs but no promises given about that or increased business
LIABILITY CLAUSE IN FUTURE	Av want 'to discuss'; Om make no commitment	Om accept clause assigning full liability if they are proved at fault	(implied; see 'Penalty' and 'Present Business')	never mentioned
PRESENT VALUE OF BUSINESS			contract re-negotiated to make Om liable for 'any error caused by the machine or processing'	
CUSTOMER SERVICE & GOODWILL		Om putting on extra clerk to double-check Av's data		Om will double-check data in future
NET COST/GAIN	Om cost = \$5000 Om gain = poss. future business Av cost = \$ 400 max (5400 - 5000) Av gain = open posit. re future	Om cost = \$2000 Om gain = \$ 1M future business Av cost = \$ 3600 max, & commitment to Om for future	Om cost = \$20,000 Om gain = nil Av cost = nil Av gain = \$14,400 min & flexible future	Om cost = \$8,500 Om gain = (possible \$5000 fee & future business) Av cost = nil Av gain = \$ 2900 min, & flexible future



## Contracting Out: Topic Tally

		Hewlett		Pieda		Transtema		Volvo	
		Av	Om	Av	Om	Av	Om	Av	Om
CARRIERS' CLAIMS FOR COMPENSATION	I	1	0	1	0	1	0	1	0
	R	3	4	5	3	1	1	3	0
	F	8	14	21	13	14	8	10	11
	T	12	18	27	16	16	9	13	11
PROBLEM - COMPUTER MALFUNCTION	I	0	1	0	1	1	0	1	0
	R	0	6	2	4	2	0	2	1
	F	5	8	5	6	4	3	0	2
	T	5	15	7	11	7	3	3	3
PROBLEM - DATA CODE ERROR	I	0	1	0	1	0	1	0	1
	R	0	3	2	6	0	1	0	0
	F	3	19	15	18	2	1	9	10
	T	3	14	17	25	2	3	9	11
\$2000 COST OF MANUAL PAYOUT	I	0	1	1	0	1	0	0	1
	R	4	2	5	1	2	1	3	0
	F	7	8	3	11	8	6	5	6
	T	11	11	9	12	11	7	9	7
PENALTY CLAUSE FOR BREAKING PRES. CONTRACT	I	1	0	0	1	1	0		
	R	0	0	0	2	1	0	-	-
	F	3	2	2	0	1	1		
	T	4	2	2	3	3	1		
EMPLOYEE RELATIONS	I	0	1	0	1	0	1	0	1
	R	0	5	0	4	1	0	0	0
	F	1	3	3	3	6	4	1	0
	T	1	9	3	8	7	5	1	1
INCREASED FUTURE WORK	I	1	0	1	0	1	0	0	1
	R	2	1	2	8	2	1	1	2
	F	5	10	27	28	4	5	10	5
	T	8	11	30	36	7	6	11	8
LIABILITY CLAUSE IN FUTURE	I	1	0	1	0	1	0		
	R	4	1	4	1	1	0	-	-
	F	0	3	11	17	10	10		
	T	5	4	16	18	12	10		
PRESENT VALUE OF BUSINESS	I	0	1	0	1	0	1		
	R	0	2	1	2	0	0	-	-
	F	0	1	4	5	10	10		
	T	0	4	5	8	12	10		
CUSTOMER SERVICE & GOODWILL	I	0	1	0	1	0	1	1	0
	R	0	0	0	5	0	0	1	0
	F	3	1	0	1	1	1	0	0
	T	3	2	0	7	1	2	2	0
SYSTEM TO DOUBLE-CHECK DATA	I			0	1	0	1	0	1
	R			0	5	0	0	1	0
	F			6	9	1	0	4	4
	T			6	15	1	1	5	5



## CONTRACTING OUT: Hewlett. Topic map (topic X turn)

	CARR CLMS	COMP MALF	DATA CODE	\$2K PAYO	DEFT PENL	INDS RELS	FUTR BUSI	LIAB CLAU	PRES BUSI	CHK DATA
confirm chk		0m1	0m1			0m1				
confirm		Av1								
invite agreemt						0m2				
info		Av2								
invite agreemt		0m				0m3				
agree		Av				Av				
topic shft	0m4									
confirm Q	om									
	om									
	om									
s/w topic shft	0m			0m6						
info				Av						
confirm chk				0m						
confirm				av						
info			0m8							
info			om							
info		0m9	0m							
info		om	om							
			0m							
clarify Q		av3								
clarify; info		0m								
info			av4							
clarify Q			0m							
clarify			av							
clarify Q			0m							
clarify			av							
info			0m							
topic shft				av7						
info				0m15						
=										
=prop			=0m15							
info				=0m15						
				Av						
				0m						
				av						
info				0m						
				Av						
				av						
info				0m18						
=info		=0m18	=0m18							
signal				Av9						
				0m						
restate prop	=Av9			=Av						
info; topic shft	0m					0m20				
info	0m21					av				
						0m				
						Av				
						0m				
						Av				
						om				
						0m				
						om				
						0m				
info						av				
						0m				
topic shft							Av12	Av12		
deny blame	0m26	0m26	0m26			0m26				
open Q	om									
	Av									
info	0m									
prop	Av									
info	0m					0m28				
	av									
topic shft		Av15								

prop						Av16		
clarify Q						Om		
clarify						av		
	0m31					Om		
restate prop						Av		
						Om		
						om		
info		0m33				Av		
topic shft						Om	av13	0m33
						0m34		0m34
info		=0m34	=0m34					
info						Av19		
						Om		
invite prop						om		
info		0m36				0m36	0m36	
clarify Q							Av	
clarify		0m37					Om	
prop				Av21			Av	
							Om	
ackn							Om	
clarify Q				om11				
confirm chk; prop				Om				
clarify		Av22		Av				
reject; info		0m40	0m40	0m40	0m40			
info				0m41			Av33	
re-prop (error)		Av24			0m41			
confirm Q		om						
		Om						
correct prop		Av						
confirm chk		Om						
qualify prop		Av						
=prop		=0m44		=0m44	=0m44			0m 44
clarify Q		Av						
prop		0m46		0m46		0m46		
clarify Q		Av						
clarify ; info		Om		0m47				
disagree				av				
info		0m48				0m48		
info								
ackn (+)							om14	
ackn (-)							av	
info							Av	
							Om	
							av	
re-state prop				Av30				
clarify Q				Om				
topic shft					=Av30			
challenge					Om			
apologise				Av				
					Om			
apologise					av			
					Av			
					Om			
topic shft						av19		
prop						Om		
agree; topic shft						av	av20	
agree						Av		
vague agree								0m55

E N D

**CASE ONE: Contracting Out  
Room: Hewlett**

Aviation hAvN\* = Buyer, S. L. (Swedish)  
hAvO = Observer, S. S. (English)

Omega hOmN\* = Seller, J-L. D. (French)  
hOmO\* = Observer, P. W. (Swedish)

\* = non-native speaker of English  
number after the speaker's alias = turn number for that speaker

- 
- hOmN\* 1 Ok, first of all we have the late receipt of your letter, which we received quite recently; that's why I mean we have a meeting today, to discuss about your different points I mean you express in your letter, and to talk in details about what happened last month. Right ? So I think that we should start I mean -eh- to assess the facts, to see exactly what happened last month. First of all, -eh- there was a data processing mistake, right ? And a machine malfunction - right ? which resulted in a failure to process a payroll. And then you got, within the civil aviation department, you got this social problem with your staff which had to have meetings and everything which delayed the plane operation and [2 secs] that's how the facts are, right ?
- hAvN\* 1 Ah, that's right,
- hOmN\* 2 Okay - you agree on that, right ? | On this presentation, Okay, so | -eh-
- hAvN\* 2 | Yes, | But further  
on we have had a lot of problem with the -eh- carriers too, [2 secs]
- hOmN\* 3 You had a lot of problem with the carriers because of the, of the -eh- social problem you had in the airport, right ? Of course I mean the operations were disrupted, so of course you couldn't provide the same service to the carriers as you -eh- as you are doing I mean -eh- in the normal -eh- working conditions. Okay ?
- hAvN\* 3 [2 secs] Okay ! [laughter]
- hOmN\* 4 Okay, so if we go through your letter, right, I mean you - the first point I mean you - you are disclosing is as a result of disruption at the national airport caused by staff seeking their wages from the pay office once rumours have spread about not being paid - you are facing several claims for compensation from some of the carriers who were delayed in consequence, Okay ? So let's analyse - I mean just like the rest, I mean because you - so you say you are claiming -eh- -eh- first of all -eh- sorry - [softly, reading] to which - two from them - yeah, -eh-
- hOmO\* 1 You anticipate claims to be raised by the carriers to you, do you ? And -eh- you -
- hOmN\* 5 Yeah, by stating that they -eh- they're 'up to twenty thousand dollars', right ?
- hOmO\* 2 But it can even be additional, so -
- hOmN\* 6 Eh -eh- 'Additional claims', right, [2 secs] Besides that, you require that we reimburse immediately the two thousand payroll cost, which we have processed

manually. Okay ? Eh - I feel we have to -

hAvN\* 4 Well, That - that - that's- -eh- the - I want to point out that this two thousand dollars is normally the cost, the cash money out of pocket. Further on we have had a lot of trouble with it - to - - to - =

hOmN\* Um-hum

hAvN\* 4 =to get it manually paid.

hOmN\* 7 Um-Hm, Um-Hm, Yeah, because it delayed, I mean the whole thing; you could I mean=

hAvO 1 Yes, that -

hOmN\* 7 =you had to pay cash I mean because if you were doing it manually I mean it would delay of course the payment, right ?

hAvO 2 The two thousand was estimated by Omega yourselves, -eh- we envisage that that may in fact be a -

hOmN\* Um-hum. Um-hum.

8 Well, let's try to define together what the responsibilities are; I mean, on your side I mean you have to - I mean I would like to ask you if you recognise that you had a problem by giving the incorrect data code, I mean to our company, to Omega, which was of course a large -eh- which is in a large part I mean the cause of the - of the problem, [2 secs]

hOmO\* 3 We have in fact found out that the computer error -eh- was a result of incorrect coding data which you provided to us.

hAvO Um-m

hOmN\* 9 Yeah, Yes. I mean we made some investigation and we realised that the incorrect data code I mean supplied by your department -eh- was given to - to Omega, which of course I mean we had to - to - to try to make it with this process. So it's true that we had a malfunction in our computer, in our main computer, but you know, I mean - and when we discussed the contract I mean you knew about it that of course we have a second computer which otherwise I mean to process the payroll in case the main one is failing. Right ? But of course because of the incorrect data code supplied by your department we couldn't process this payroll. So I mean, -eh- that the main point - I mean the incorrect data code I mean it's, it's a key point in this story. We couldn't help-

hOmO\* 4 The malfunction was actually offset by the fact that we received the incorrect data from you.

hOmN\* 10 Incorrect data code. Right. How could we, I mean -

hAvO 3 Um. Do I understand that what you're saying is that you have no responsibility therefore for the -

hOmN\* 11 Of course we have responsibility to process the payroll, we have responsibility of course I mean to, by processing the payroll by data, -eh- to have -eh- our equipment running in good condition, but again of course I mean we may - we may know have been specialising in data processing that one computer can fail one day, what we have to do, we always have I mean to have this equipment in double, just to make sure that we can offer you the same service as we are offering right now, right ? Eh- we know by experience that sometime it might happen, that's the reason why we have all our equipment I mean double or sometime in three - three- even more computers, [indistinct] Which is a quite costly operation because I mean we have one computer working full time and sometimes one other computer is not working at all, just because it's easier I mean for in case of there is a failing in the main computer. So it's a heavy investment I mean for Omega because - just to offer good service to your department.

hAvO 4 But you get these figures -eh- every month, so surely -eh-

hOmN\* 12 We get these figures ?

hAvO 5 Yes, the figures and the codes for -eh- -eh- payroll every month,

hOmN\* 13 You mean the data code ?

hAvO 6 Yes, Is there [2 secs] presumably you should, is there somebody to check -

hOmN\* 14 Um-hum We have had every month, but I mean we never know I mean if you change it or not, I mean it might happen that you on your side I mean you decide to change this data code and we cannot discover if it's a mistake or not; that's a problem. [/ sec] You understand what I mean,

hAvO 7 Um-hm, But what we need to get back to is this two thousand pounds which - um - was a result of -

hOmN\* 15 Well, there are a few things; I mean in your letter you are claiming for the two thousand pounds, which is an additional cost; can I remind you that this two thousand cost in our minds is not the actual cost, but you remember that when we negotiated the contract it was us, Omega, who estimated this cost because of if one day of course it might happen that we couldn't get the computer available for any reason or whatever, we had to process it manually, do you remember that we - eh- assessed this additional cost at two thousand dollars. So I would say that -eh- we take of course I mean in our -eh- calculations, we take a high amount which is two thousand dollars just to make sure that we could cover I mean this extra expense, but of course I mean actually it probably costs much less than two thousand dollars. So I think that, well, on this, I mean I'm prepared to do something on this, because I accept that Omega as a data processing company I mean should provide a good service, and when there is a different code coming in we should investigate it and ask your department if it's a new code or if it's a -a- -a- mistake. Right ? So I'm prepared to make a compromise, but I don't think it could go higher than one thousand dollars, because again, I mean, we were not informed at all that it was a mistake or if it was a change in the code- data code or -eh- or anything else, [3 secs] Besides that - - eh - yeah ?

hAvN\* 5 Eh - Eh, well, I don't know if - eh - I'm getting this wrong but the actual cost for us is two thousand dollars,

hOmN\* 16 Yeah, I know but -

hAvO 8 It's -- wait, it's probably more than two thousand dollars,

hOmN\* 17 My dear client, I mean we -eh- you remember that this cost I mean was estimated by us, by Omega when we when we - when we worked out the contract -

hAvN\* 6 No, I --

hAvO 9 Yes, it was estimated by yourselves, yes -

hOmN\* 18 It was estimated by ourselves, and of course we take it I mean as high as possible

hAvN\* all right-

hOmN\* 18 just to make sure that we won't make any mistake in our calculation if one day we had to make it manually. That's why I mean we - we went up to one thou- to two thousand dollars. But of course, I mean in actual fact I mean it costs much less than two thousand dollars. And our real -eh- assessment on this point is no more than a thousand dollars. So I think that - but again, I mean - eh - we=

hAvO | Um, well -

hAvN\* 7 | Eh - but

hOmN\* 18 =had no malfunction of computer in itself, since we still had I mean this computer, second computer available, right? So I think that we cannot talk about malfunction of computers. I can show you I mean in our computer department, that we have exactly the equipment we need; the main computer of course for the data roll procession, data payroll procession, and another computer which is of course less powerful probably, but still which can process I mean this payroll without any problem at all, [2 secs] Which means that -eh- [laughter] that I must say that the origin of the whole -eh- problem is the supply of the incorrect data code. But again I still recognise some responsibility because our staff should have enquired why the code is different; is it a mistake, or is it a new data code. All right=

hAvO | Um-m.

hAvN\* 8 Let's -

hOmN\* 18 =Sorry, can I go away on that, I mean, but again I mean we have to share the responsibility, the liability.

hAvN\* 9 Okay, I can see that we have no -- we haven't the same opinion about give two thousand dollars now, | -eh- but -eh- let's see what we can do=

hOmN\* 19 | I can understand it.

hAvN\* 9 =eh - I still argue that the two thousand is what we have to -eh- get, plus the other damages that this has cost us, or probably are - is coming to cost us. So - eh- | How can we proceed ?

hOmN\* 20 | Okay; when you talk | - Okay, when you are talking about additional liabilities on Omega, I mean can I emphasize that you suffer, I mean within the airport I mean, and not because of the data - payroll data position problem, you suffer some social problems. Which means that if any carrier want to claim additional money from you, and you want to claim it from us, I mean it might happen I mean with any other type of problem. I mean, I wouldn't discuss about that, but I'm forced to do it because you want to claim something else on us and you know that the- the social -eh- situation within the airport today I mean is not -eh- very, very good, [2 secs] Which means that, I mean, - eh - it might happen that - eh - carriers, that you have any other social problem which are not linked at all I mean to this problem, you know, and for this reason I mean carriers may also claim some money.

hAvO 9 But that is another issue.

hOmN\* 21 That's another issue, but that's important. I just want to - to - to - to answer that -eh- I don't think that the payroll issue is so important as far as the claim of the carriers is concerned, because that's a whole problem you have to face, I mean within your own department, | -eh- with the workers.

hAvN\* 10 | But with the social - Still, it has a very strong impact on this | problem, on- on - | so -

hOmN\* 22 | Hm-m-m ? | But again, I mean - eh - okay, a strong impact, because I mean it was like we say in French that the drop of water which - eh you know | what I mean ?

hAvN\* 11 | Yes, here- | I know what you mean



## Appendix Section 2

- hOmO\* 5 Yes, it was the factor, the key factor, that started this -
- hOmN\* 23 The key factor which, I mean, started I mean
- hOmO\* 6 it might as well have been something else that would have started exactly the same -
- hOmN\* 24 Why is -
- hAvO 10 Ah, yes, but -but what we're saying is - is- is that - that - it it wasn't anything else; this is what -eh- caused the problem, Eh-
- hOmN\* 25 And on the other hand, I mean I - I -
- hAvN\* 12 What I see of this discussion now, that if we are going to do - to do some more business in the future so we have to look very carefully on - eh - the=
- hOmN\* Um-hum
- hAvN\* 12 =contract we are doing, -eh- and eh, for the future, -eh- -eh- we have=
- hOmN\* Um-hum Um-hum
- hAvN\* 12 =to cover of liab- your liability to one hundred percent.
- hOmN\* 26 No, not at all. I'm sorry for that. We can't, I mean I can't understand how we could be liable in this -eh- in this failure, because I mean again I mean -eh- this -eh- the claims which you may receive from carriers, or any other additional claims, is in our minds strictly linked with the social labour problem you have in the airport. [ / sec] Again, I mean -eh- we had no computer failure, I mean of - of course we had one but I mean it was offset by the fact that we had another one, another computer, available, right? The main problem was that we were given, with the wrong data code,
- hOmO\* 7 May I ask you a question? Um, you say in your letter that you estimate the liabilities at -eh- twenty thousand, -eh- Have you received any claims and=
- hAvO Um,
- hOmO\* 7 =what is the actual situation as of today?
- hAvN\* 13 The actual situation -eh-
- hOmN\* 27 You didn't receive, I mean should the claimant pursue the issue, I mean, so - so far they have not I mean pursued anything. So apparently I mean it was just an estimation from your side,
- hAvN\* 14 We haven't received all yet, but - eh - let's say we - eh - estimate it'll be about eight thousand -eh- dollars.
- hOmN\* 28 Yes, but of course I mean the claim will be as high as possible, because it covers not only probably these payroll issue but probably all the social problems you had to face at the airport, right? So maybe I mean the - the - the - the carriers are accumulating I mean so many inconvenience, or so many problems that of course now they take the excuse of this issue I mean to - to claim for more money. And I mean we don't want to be responsible of that that, because it's not our liability,
- hAvO 11 No, we're purely looking at the responsibility -eh- and costs that can be laid exactly on the -eh- problems arising from the payroll,
- hAvN\* 15 Okay, -eh- we have to go back over the situation, or see where the failure has -eh- come up; -eh- that's one thing of course, but -eh- -eh- [2 secs] ah [whispered

conference 23 secs]

- hOmN\* 29 We can adjourn, eh ? if you want ? [laughter] Maybe we can adjourn for two minutes .
- hOmO\* 8 [indistinct; to hOmN\*]
- hAvN\* 16 Well, as I see it -eh- -eh- if you want to do business with us in the future, so - and we are talking very big business, about one hundred and eighty thousand dollars a year -
- hOmN\* 30 How much ? [laughter]
- hAvO 12 A potential of one hundred and eighty thousand per year -
- hOmN\* 31 That's something we wanted to discuss with you, in fact, is to increase our market share with your department, of course, eh ? But again, I mean, we cannot do it at at - at a price, I mean we have, I mean first of all I mean to - I think to settle our, not our dispute because I don't like this word in this case, but I mean the problem we are facing all together, I mean we - that's the first thing we have to solve, then we can discuss after, an additional market share, As you know -
- hAvN\* 17 Ah, yes. -eh- I can - I can say - tell you that -eh- -eh- this future -eh- development -eh- consists of -eh- different -eh- different=
- hOmN\* 32 Yeah, it would, no, I mean...
- hAvN\* 17 =cases but if -eh- it could be up to one hundred and eighty thousand dollars a year, Um-hum Yes,
- hOmN\* 9 We are very interested,
- hAvN\* 18 Yes; you should be. [laughter]
- hOmN\* 33 I mean, I mean you do not invent this figure I hope ! [laughs] This is a true story, [name hAvN\*] [laughs] Okay, that's a good business. Ah, yes indeed we are interested of course. And first of all, I think that, okay, we started this contract, I mean - eh - last month we had a problem, but so far beside I mean this problem we had a very good relationship, and we are quite interested of course to continue I mean with it. Definitely.
- hAvO 13 But obviously what this has highlighted is things that perhaps we hadn't considered in our original negotiations. Who's liable -
- hAvN\* Um-hm,
- hOmN\* 34 But again, I mean, what I want to stress out also, I mean- It's true that we - we- got this contract with you, but it was -eh- -eh- painful for us because I mean I can tell you that the - the contract is not so awfully well accepted, I mean it's not so worth. I mean we had to make quite a lot of sacrifices, I mean we had to -eh- -eh- again, I mean, to review our investment I mean within our data - eh - processing department, just because I mean we consider that - that this payroll is so much important that we had I mean to make sure that we can - we could do it. I told you I mean, we have our main computer, we have a second one only just in case the main one is failing. So I mean okay, to=
- hAvO Um-hm,
- hOmN\* 34 =increase our sha- our market with your company, with your department, but again not at any price, and when I say not at any price I mean, first of all we have to solve this problem we have, and that's something I mean we cannot -eh- -eh- for which we

- cannot accept any thing, I mean because I mean it would make our contract I mean - eh- not valuable for us, I mean I think that -eh- a contract I mean must be valuable for both parties, right? If one is frustrated, I mean forget about it, I mean, it's - one day or the other I mean it would break, Um? So I mean=
- hAvO  
hOmN\* 34 =what I mean is that, don't put the liability on us because I mean again, I mean it would be a total loss for us. You remember I mean the negotiation -the- the- the- the conditions we negotiated together, and quite obviously, I mean if we have to support any liability in this problem, I mean -eh- we will -eh- go bankrupt on this -eh- business.
- hAvN\* 19 Yes, but you have to see -eh- this as -eh- one package from the beginning to the end, and -eh-
- hOmN\* 35 Right, and to to consider the additional market, yes. Of course.
- hOmO\* 10 What would you propose? As an offer, a package offer, or -eh-
- hOmN\* 36 Eh- -eh- -eh- Again, again I mean - you'd like to say that I mean the condition I mean that we may negotiate today I mean as far as this problem is concerned, are affected by the fact, by the condition which we may negotiate with you based on the additional market which we can get from the civil aviation department. Which means that, I would say that -eh- we could of course, because of this increase, negotiate better terms in our contract than today of course, because we have a better - we have a bigger share, right? -eh- So, which means that it will affect like the present contract because we'll make a package deal. Say for instance we negotiate so much price I mean today, the price tomorrow will be lower I mean just because I mean the market I mean our contract will be much bigger with you, okay? So=
- hAvO  
hOmN\* 36 =this is interesting also for - I mean, for your - for your department. So we are prepared I mean to negotiate new terms, new conditions I mean for the old package deal I mean for the new contract, because I think that we'll have to include everything in that. But in return, I mean well, we want to have this liability dropped, because I mean this is for us I mean - eh - just not acceptable, because we are - I'm going to lose my shirt, Mr [name hAvN\*], [laughter]
- hAvN\* 20 Eh; do you mean by that -eh- -eh- when you say your 'liability dropped' -eh- do you mean in this case or - or in the whole?
- hOmN\* 37 Dropped as a whole. No, no no. I think that for the future I mean, maybe I mean this is a contract, it's some -eh- missing - there are some missing parts in the contract, eh? So I think that for the=
- hAvN\* 37 Um-m.
- hOmN\* 37 =future we want to work together. As far as Omega is concerned we want to increase of course our share I mean of the market right now with you, -eh- So we have to revise the condition and based on the experience we had, we have to make additional condition I mean within the contract. Especially about this incorrect data code because that's relevant - important, I mean isn't it?
- hAvN\* 21 Okay. Eh, but -eh- -eh- in - My - my point of view is that all - I have an actual cost of two thousand dollars, now=
- hOmN\* Um-hm.
- hAvN\* 21 =I don't - I know [laughs] that you don't agree on that, but that's my opinion. And I have to -eh- sort that thing out, and therefore I suggest that you pay these two thousand dollars and after that, when we are talking about the new contract=
- hOmN\* Um-hum
- hAvN\* 21 =we'll have to specify it very clearly,

hOmN\* 38 | Of course; of course, what are the liabilities,

hAvN\* 21 =your liability and |eh- what's ours,

hOmN\* | Obviously, Obviously, Obviously, [ / sec] Eh -

hOmO\* 11 Would you propose -eh- ?

hOmN\* 39 We would propose so that we - we - we pay for the two thousand dollars, right ?  
That's what you mean ?

hAvN\* 22 Plus - the -eh- -eh- the amount we have to pay to carriers and |eh- others, |

hOmN\* 40 | No, | No,  
this is I mean - well, I mean this two thousand dollars again can be negotiated, I  
quite agree, because I mean it's definitely on our side; we had a failure because,  
a failure; it's not a failure; it's just a negligence, [ laughs] which is the excuse  
maybe it was said, but it's different in my mind, -eh- because we didn't check your  
code. But again, I mean, I must stress hard that I mean your department - we - we  
cannot discover if you give us a wrong data code or new one. It could be a new one.  
[ 2 secs] That's a problem, so I mean - I mean -- I mean we | suffer

hAvN\* 23 | Okay, that's a - that's  
a thing we have to specify | in a new contract,

hOmN\* 41 | We- we - we - | We suffer - Yeah, but we suffer the lack of  
information from you or I mean you made a mistake, -eh- and now of course that we  
investigate it, it's clear that the department made a mistake by providing us with a  
wrong data code. This is clear. I mean, the - the origin of the whole story, I  
mean, comes from the Civil Aviation Department, and I mean when you have to suffer,  
and to face social problems which you have right now, I mean on the airport, I mean  
you better make sure that your people I mean are giving us the right information,  
not to - eh -make additional trouble on the airport, |

hAvN\* 24 | Our problem - | Okay, let's say - eh - now  
that we are - I said before that we are estimating that the carriers claims will be  
about eighteen thousand dollars,

hOmO\* 12 Eighteen.

hOmN\* 42 Eighteen.

hAvN\* 25 -eh- Sorry, eight thousand dollars, And |eh- why don't we -eh- just -eh- =  
hOmO\* | Okay.

hAvN\* 25 =for - for this case, make that fifty fifty, and then for the future we have - to -  
to specify in the contract better so it's clearly said,

hOmN\* 43 Okay, so the claim is eight thousand dollars, | Eh - I'm going to make - |

hAvN\* 26 | Um-m, | Eh  
- that we are estimating the claims to be eight thousand,

hOmN\* 44 Yeah, I'm going to make a proposal; -eh- as you know, we negotiated some very stiff  
conditions with you, I mean, of course we had competition, and you were able I mean  
to receive many companies like us offering the same service, so which means - which  
means that our margin profit is very low on this contract, Okay. But we still  
accepted it because we wanted to build up a relationship with you, right ? Okay ?  
Eh - you propose to - that we pay fifty percent of the eight thousand dollars

liability from the - for the claim from the carriers, Right ? On the other hand I=

hAvN\* Yeah

hOmN\* 44 =mean we on our side I mean we would be prepared I mean to pay only a thousand dollars for the costs - manual cost - for the cost for manually processing I mean the - the - the payroll. Would you accept so ? I mean, if we can compromise on four thousand dollars, to take fifty percent of the claim, right ? from the carriers; which is my mind - in my mind is even too big, because - eh - I mean the claim from the carriers not only take in to account this problem, but probably all the problems they have to faced, they have to face in the past I mean with the airport, because of the social situation and atmosphere I mean, in your airport.

hAv0 14 So what you're saying is fifty/fifty on everything ?

hOmN\* 45 So I think - now I think - No, I'm just thinking about -eh- Can we adjourn the meeting for a second ?

hOm0\* 13 Yeah ?

hAvN\* 27 Yeah, okay.

B R E A K

hOmN\* 46 Okay, Eh - based on the fact that we are of course negotiating and that you are willing to work with us, so we are going - I understand we are going to negotiate I mean the further hundred and eighty thousand dollars, I mean that's the amount you mentioned, right ? market, I mean business right ? with us, -eh- and of=

hAv0 Um-hum

hOmN\* 46 =course that's important for us, I mean we are prepared to compromise, I mean to accept fifty percent of the claim, which is four thousand dollars, right ?=

hAv0 Um-hum

hOmN\* 46 =and to pay only a thousand dollars on the cost - additional cost which concerns=

hAv0 Um-hum

hOmN\* 46 = -eh- preparation of the payroll manually. Would you accept that ?

hAvN\* 28 Eh - did you say -eh- four thousand dollars and -

hOmN\* 47 four thousand dollars one thousand dollars on the - on the costs, because again, I mean it's even more that fifty percent of what we should pay, because again I mean the - the cost is lower than that, Remember that we - that's Omega who assessed this price based on our estimated figures. And you of course, you took it because it was a pretty high one, [smiles] but actually it cost - it cost much less than two thousand dollars. So I think we are paying even more than fifty percent of the actual cost.

hAv0 15 Well, we - we would possibly disagree with that, because it doesn't include our full costs on the manual system.

hOmN\* 48 Yeah, but again I mean we - we accept to take fifty percent of the - of the liability. And frankly speaking I mean it's quite an effort, I mean, for Omega, because again, I told you that the contract I mean - okay, I mean we - we want to increase our turn over, we want to increase our market share of this business=

hAv0 um-hm

hOmN\* 48 =but it represents quite a lot of money, I mean for Omega, That is -

hOm0\* 14 We should also - we should also mention that we ourselves have had additional costs for the computer



running, because we had to go to -eh- the backup computer, and run it over=  
 hOmN\* Right, right,  
 hOmO\* 14 =and over again, So we put in a lot of efforts too,  
 hAvO 16 Yes, which we appreciate, but - yes, we appreciate the efforts obviously .  
 hAvN\* 29 That's none of our business.  
 hOmN\* 49 Um-hm, Um-hm, Which means that I mean we - I mean we wanted to show our good will  
 from Omega's side, that -eh- I mean despite these problems that I think we have a  
 pretty good relationship and we are doing all our efforts I mean to provide you with  
 the best service as we can - provide,  
 hAvO 17 We would like to maintain that -eh- working relationship we had in the past, yes,  
 hOmN\* Um-hum, Goodwill, Goodwill,  
 hAvN\* 30 I think you should once again consider -eh- the two thousand, Because we=  
 hOmN\* 50 What do you mean two thousand ?  
 hAvN\* 30 =we- want - it's two thousand - eh - it's y- your cost for us, You have only -eh-  
 to consider that if we break this contract - eh - we - you have - there's your  
 penalty clause for ten thousand six hundred in the contract,  
 hOmN\* 51 Um-hum, I'm not breaking  
 any contract, Who is talking about breaking any contract ?  
 hAvN\* 31 Sorry, sorry, Sorry, [laughter]  
 hOmN\* 52 I never talked about breaking the contract,  
 hAvO 18 No, no, We apologise for that, It was a momentary slip,  
 hAvN\* 32 No, forget it; let's go back, Okay, [1 sec]  
 hOmN\* 53 Okay ?  
 hAvO 19 Eh- subsequent to -eh- -eh- negotiations on - on on the future contract-  
 hOmN\* 54 On the -  
 On the future contract of course, it's - it's - for us it's subsequent I mean for  
 you I mean to give us of course priority to negotiate I mean with you this  
 additional market of course. So we have a - a -eh- 'first refusal', that's what we  
 are calling in business: first refusal to negotiate the busi- additional business  
 with you, Which means that you don't go to any other - other company=  
 hAvO That's right,  
 hOmN\* 54 =before negotiating with us the additional market,  
 hAvO 20 That's fine; we want to maintain our relationships, It's -eh- =  
 hAvN\* 33 Right, Oh, yes, that's okay,  
 hAvO 20 =it's - it's our other clause, it's our liability clauses we would wish to - to  
 discuss in much greater depth, and-  
 hOmN\* 55 Of course we have to go deeper in negotiation, I mean especially liability wise, I  
 mean we have to put it in more details, Because definitely I mean we are missing  
 something there, [2 secs] All right ?



hAvN\* 34 Right ?  
hOmO\* 15 Right,  
hAvO 21 Right, [laughter]

E N D

## CONTRACTING OUT: Piedra, Topic map (topic X turn)

	CARR CLMS	COMP MALF	DATA CODE	\$2K PAYO	DEFT PENL	INDS RELS	FUTR BUSI	LIAB CLAU	PRES BUSI	CHK DATA
info		Om1	Om1 Av Om Av Om							
info		Om3	Om3						Om3	
clarify chk		Av	Av							
clarify(ambiguous)		Om	Om							
confirm chk		Av								
confirm		Om								
ackn		Av								
topic shift							Av7 Om Av		Av7	
prop	Av8	Av8		Av8						
reject; info	Om7	Om7	Om7							
info	Av	Av9								
incomplete		Om								
info			om1 Om Av							
ackn				----						
info			Om12 Av Om Av Om							
clarify Q										
info										
? topic shift										
meta										
open Q	Av14								Av14 Om	
meta										
meta	Av15									
meta; info		Om17	Om17						Om17	
info		Av	Av Om Av Om							
info; open Q										
info (concede)										
ackn										
ackn; meta	Av18									
info (concede)		Om19								
topic shift							Om20 Om		Om20 Om	Om21 Av Om Av
info; prop			Om21							Om23
info										
info										
qualif, reject										
info; topic shift							Om23 Av Om Av Om25			Av21 Om25 Av Om Om
signal										
prop										
clarify chk	Av21									
clarify										
confirm chk										
confirm										
info; reject										
info										
topic shift			Av24 Om							
info; restate prop		Om27							Om27 Av25	Om27
invite prop										
general prop							Om28			
info									Av26 Om Av Om	
clarify Q										
clarify										
info					Om30 Av28 =Om					
info										
info										
info; vague prop							Av29 Av Om Av	Av29	=Om30	
info										
info; prop									Om31	
clarify Q										
				-----						
nominate topic							Om33 Av Om			
info; invite prop	Av32									
restate prop (vague)										Om 34
topic shift	Av33			Av33						
info	Om									
info	Av									
info					Om36					
meta; clarify chk	Av35									
reject	Om									
clarify chk	Av									
info; topic shift	Om						Om38 Av			
info										
info	Om39									
start prop ?	Av									
info				Om40 Av39						
info; prop	Av39									
				-----						
nominate topic						Om45 Av Om Av Om Av Om				
ackn										
info; open Q										
info										
info; open Q										
info										
info; clarify chk									Om48 Av	
clarify										
clarify							Av47 Om av5 Av		av5	
confirm Q										
confirm ; info										
confirm										
info									Om50 Av Om	
info										
info	Om51	Om51	Om51			Om51	Om51	Av50 om Om Av		Om51
prop										
qualif, agree										
reject										
info							Av51 Om Av Om Av av =Av av Av Om av Av			
invite prop										
open Q										
info; confirm chk										
info										
meta										
=info										
info										
info; prop										
clarify Q										
info										
info									Av55	
				-----						

info  
info; confirm chk  
confirm  
ackn  
confirm chk  
confirm

0m59  
0m  
Av  
0m  
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Av

summary; info

0m63  
Av  
0m  
Av  
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Av  
0m  
Av68  
0m  
Av  
0m

0m63

info  
info  
info  
info  
prop  
topic shft ; info  
info  
info  
info; invite prop  
qualif gen prop  
open Q re prop

0m66

0m66

0m68

Av70

Av  
0m  
Av  
0m

Av71

Q; invite prop

prop

Av72

ackn (?agree)

0m

prop; info

Av73

Av73

ackn

0m

invite prop

Av74

info

0m

0m73

info; topic shft

info

Av75

prop; invite prop

Av76

0m

confirm Q

0m

0m75

info

Av

confirm chk

0m76

=info; invite prop

=0m

0m76

topic shft

=0m

info; invite prop

prop

Av

Av78

0m

info; topic shft

info

0m79

info

Av

0m

Av

info; invite prop

0m81

open Q

0m81

0m13

0m13

open Q

clarify

info

Av

av

0m

Av

0m

0m

0m

0m

Av

0m

prop

0m84

open q

info

clarify Q

Av85

0m17

clarify (interrupted)

0m

clarify

clarify

0m18

confirm chk

Av86

confirm; info

0m

0m87

0m87

invite prop

Av

0m89

gen prop

=0m89

invite prop

Av

prop

0m

ackn

Av

info

0m

Av89

summary prop

0m91

0m91

aside

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aside

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info

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0m92

topic shft

Av91

0m93

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Av91

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Av93

clarify ; prop

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confirm Q; prop

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summary prop; agree

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Av99

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Av100

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topic shft

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Av102

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A G R E E   A N D   E N D

CASE ONE: *Contracting Out*  
Room: Pieda

Aviation      pAvN = Buyer, B. H. (North American)  
                     pAv0% = Observer, J. P. (Swedish)

Omega      p0mN = Seller, B. M. (North American)  
                 p0m0\* = Observer, K. L. (Swedish)

\* = non-native speaker of English  
number after the speaker's alias = turn number for that speaker

p0mN 1 Well, Mr. X, you asked me if I'd received the letter, and I said yes -eh- which is the reason that we're here to discuss this. We certainly regret [ / sec] any inconvenience -eh- that this - this has caused; however what we would like to point out is the fact that -eh- our system did acknowledge - we do acknowledge that fact that our system did crash. No question about that. However, it was caused by incorrect coding, which was supplied by your department. Were you aware of that fact, sir ?

pAvN 1 I'm not aware of any incorrect coding on our end,

p0mN 2 Eh- I'm afraid it's true, [ 2 secs]

pAvN 2 -eh-

p0mN 3 It was the -eh- wrong tax-week number that caused the system to crash. I would also like to point out that we did have backup should there be a malfunction with our system. Eh - We do value you as a customer, and knowing the priorities that you=

pAvN Um-hum

p0mN 3 =set and what's important to you, in case we did have a back up, certainly we looked for -- or in case we had a problem with the initial malfunction, we did have backup, which do for all of our customers; it's a customer service, =

pAvN Um-hum

p0mN 3 =that backup system malfunctioned as well, because of the incorrect data,

pAvN 3 So we're actually talking about a combination of errors here, then, eh ? Clerical=

p0mN Well we're

pAvN 3 =error on our part plus -

p0mN 4 Well, we're talking one error,

pAvN 4 The main malfunction to start with, then,

p0mN 5 We're talking the main malfunction, yes,

pAvN 5 Um-hum, [ 3 secs]

Pavo\* 1 [ quietly to pAvN] It's not really on here -

pAvN 6 [ to pAvD\*] It's a processing error, isn't it ?

Pavo\* 2 [ to pAvN; inaudible]

pAvN 7 [ to pAvD\*] No, [ 4 secs] [ aloud] Well, let's - let's look at it this case then; - eh- [ 3 secs] it -eh- we are a good customer of yours -eh- We have been talking too=

p0mN 7 =of in- of possibly increasing -eh- our account with you, Um-hum

p0mN 6 Yes, we've had some discussions about that, that's true

pAvN 8 Maybe maybe five fold, you know, [3 secs] and -eh- I know, you know, you wouldn't like to jeopardise that. It's - we would rather stay with with your firm if we can reach some kind of agreement on this, you know. Possibly -eh- we [2 secs] like we said, we - we are out the two thousand in - in cash. We actually did have -eh- costs above that. That's basically the figure we got from Omega, is two thousand. We have incurred some other costs over that but we - you know, we're willing to absorb those rather than trying to dig them all up and pinpoint all the separate costs. Eh - we definitely would like the two thousand reimbursed. We did feel you know the original fault was the machinery going down, [2 secs] We have -eh- contacted a few of the carriers; -eh- we might be able to negotiate some of the liabilities down, but we want your company liable for as much of that, you know, as it - it seems is going to come in to us, [2 secs]

p0mN 7 I have to take issue with a few of the comments you've made, -eh- First of all you said that we've established the fact that it was a malfunction error, one error on our part, and I thought that you had agreed to the fact that it was a coding error, caused by information that was supplied by your department. It wasn't an error on the part of -eh- our computer system just automatically malfunctioning. I - I'm sure you have to acknowledge the fact that if you have incorrect data and that crashes the system, then the computer cannot be held at fault. The computer's only as good as the information that's fed to it; we didn't have the correct information. Also, you mention the fact that you've had some discussions with the carriers and you may be able to negotiatiate their settlements down. It's my understanding sir that you have no claims yet -eh- from any of the carriers. Is this - Do you have claims from the carriers?

pAvN 9 We have gotten a few in. Eh - the - the main thing we- we really have not seen proof of the error that, you know, it was our error that caused your machine to crash. Eh -

p0mN 8 Well, as I said it is the -eh-

p0m0\* 1 [whispers to p0mN] We're able to supply that,

p0mN 9 We can supply, -eh- it was the wrong tax-week number and -eh- all you have to do is check the -eh- the - the computer data. It's quite evident that -eh- that you gave us or your department gave us the wrong tax-week number. That was the problem,

pAvN 10 Um-hum,

p0m0\* 2 [whispers to p0mN] This is the evidence,

pAvN 11 [whispers to pAv0X] Yes, yeah, yeah. [aloud] Time out. [whispers to pAv0X] Maybe we should try to look [7 secs]

p0mN 10 Do you want us to leave the room?

pAvN 12 Well, I'm not quite -eh- I'm still not clear on the tax-rate number,

p0m0\* 3 Can I hand over the paper that we received from -

p0mN 11 Not that one.

pOmOx 4 Not that one.

pOmN 12 No. That really is the wrong one. [laughter] No. On the check, when you receive your - your check-stub, weekly, because you sir are paid as well as=

pAvN Um-hum

pOmN 12 =everyone else, on your cheque stub number it shows the tax-week; whether it's one through fifty two. We are now in week forty eight, let's say, I don't know, let's say forty eight. You supplied us with week fifty two. The computer rejected that number. That was the reason. -eh- [2 secs]

pAvN Um-hum,

pAvN 12 Eh [3 secs] Well, where in the - is the proof of this ?

pOmN 13 Well, look; the - the proof can be supplied. Eh - I don't think there's any doubt about that, and then -eh-

pAvN 13 Well, we were I mean -

pOmN 14 We're - we're splitting hairs. That is what I think we're doing. -eh- [3 secs]

pAvN Um-hum

pAvN 14 Well are you willing to take any kind of responsibility for this ? Are you willing to give me an offer ? Or are we just ready to basically walk out and say=

pOmN 15 Well

pAvN 14 =we're done with the business.

pOmN 16 I don- Are you ready to walk out ? We're not sitting pat.

pAvN 15 I would - I would not like to. I would not like to. I'd like to get some kind of an offer from you.

pOmN 17 Okay. Then - then obviously we -

pAvN Then obviously we both want to continue talking, -eh- there are advantages to both=

pOmN Okay

pOmN 17 =of us, no question about it. We're not interested in leaving. And [1 sec] what I'm getting then is the fact that you're acknowledging the fact that maybe your department is at fault, as well as there - there possibly is some liability on - on our part as well. Is that correct ?

pAvN 16 Right now I've still only seen the malfunction; I'll - you know, there is a possibility I guess that there was an error on our part. I'd still have to see that to verify it, but is there some kind of a -

pOmN 18 Well, let's assume - let's as- - sorry. Let's assume that I can supply the information, to establish the fact that the=

pAvN Okay

pOmN 18 = coding error was incorrect by the information that you supplied to us. Would=

pAvN Okay.

pOmN 18 =you then acknowledge the fact, or you are conceding the fact that your department is at fault, with some of the liability possibly on us ?

pAvN 17 Yeah, if - if - if it - if it can be proven that we were part to fault, part to blame for this then sure, you know, I wouldn't put the full blame on you.

pOmN Okay.

pAvN 18 Then we can reach some kind of an agreement.



pOmN 19 Okay. That's [2 secs] certainly some common ground. Eh - we're not - you know, certainly prepared to accept the fact that -eh- that we have any liability, but we are prepared to at least discuss it. It's no prob- no question about that, Okay.

pAvN

pOmN 20 You mentioned the fact that you are a valued customer, and I agree you are a valued customer, but you also have to realise sir that we only have twenty percent of your business. We have been discussing increasing the market share, -eh- you've=

pAvN Um-hum,

pOmN 20 =seen what we can do over the past ten months | irregardless of this=

pAvN Um-hum

pOmN 20 =malfunction, and the malfunction was - a quirk,

pAvN Um-hum,

pOmN 21 -eh- I think what we have to do is ensure that your information that you're supplying is correct; we have to cross-track that, and ensure that the information you're coming in is correct as well. If it's possible to do so, something=

pAvN Okay,

pOmN 21 =like -eh- yeah; I acknowledge the fact that our people probably should have picked it up. But if you're sitting at a machine and you're just typing in, generally the typist or the word processor doesn't even read what they're typing. They're just typing. Eh - so we have to have someone proofread, and what we would be prepared to do for increase in market share is to hire a clerk strictly to proofread the information that's coming in. Now if you can increase your share, your market share to us | significantly to offset that clerk's salary plus return of profit to=

pAvN Um-hum

pOmN 21 =to us, we're prepared to do that, and I'm sure that way there's a hundred percent safeguard, that we're not going into problems like this in the future.

pAvN 18 Well, this would benefit your other customers too, then; this wouldn't just be a safeguard just for our own account, I mean assuming that -

pOmN 22 Well, it's -eh- yeah. Definitely. It's something that we could look at for our other accounts as well.

pAvN 19 So you're really - I mean you | couldn't expect us to strictly just finance | this and

pOmN 23 | well | well no

pAvN because your volume of business would take into account this clerk's salary for eight hours. | And it would take that long. I mean we only have twenty percent=

pAvN Um-hum,

pOmN 23 =and -eh- the Civil Aviation Department is quite large, | Um-hum,

pAvN 20 Well we could definitely - you know, discuss increasing that. Eh -

pOmN 24 It would take hundred percent of your business. To warrant putting the additional clerk on, [3 secs]

pAvN 21 And if we were to give you this hundred percent what were you - what are you willing to - other than just putting a clerk on, which you've admitted will benefit your other accounts also,

pOmN 25 No, I said that if you give us hundred percent of your business that clerk would be=

pAvN 22 Just | for our own-

pOmN 25 | =just for your business, definitely. Definitely. With the sheer volume of paper coming in that has to be checked on a monthly basis -

pAvN 23 Well let's -eh- if you want to get down to, I guess brass tacks or whatever, we could just as easily double check our efforts that are going over to you=

pOmN Um-hum

pAvN 23 =if what you said was true, and for your own double checks, that's really=

pOmN But wha -

pAvN 23 =up to your own firm, if you want to get the quality involved in that or not, that shouldn't really be up to your customer to finance that.

pOmN 26 But what would the cost be to you ? [ / sec] Would you not have to hire someone on yourself ? [ 2 secs] You have people now that in theory are proofreading everything that's going out; obviously they're continuing to make mistakes. This is a separate exterior check. [ 2 secs] It's a double check. You're doing the checking right now yourself, and there are mistakes. People make mistakes; no question about it, but if it's still within your department, do you not believe that -eh- it could be better handled by someone that's outside, -eh- the restrictions of civil aviation ? [ softly] Getting dry; need a drink. [ pours drink]

pAvN 24 [ sighs] Well, again, it comes back to the point where we're still, you know, we're talking about the error which we still haven't seen, -eh-

pOmN 27 Well, I - you - you have to concede that we can supply the information. There's no question about that. We can supply the proof. I - I - I think what we have=

pAvN Okay,

pOmN 27 =to discuss here is what we can do to rectify that in the future. And I'm sure you'll agree that if you increase your business to us, and we put this additional clerk on, that there will not be any further problems in the future, and your cheques will be out on time. We have the initial system, and if that malfunctions, not through a coding error but just malfunctions, we do have this backup system. And we can have the cheques out within two days ; that's what that backup system is for, it's to guarantee service. And the service is what we guarantee.

pAvN 25 But what - What if anything are you willing to do just to keep the business that we are offering you now ? Are you willing to make any kind of -eh- offer ? Just based on the business you're getting right now.

pOmN 28 I think we have to look at the increased business [ / sec] You're=

pAvN 26 And not and what, you know, if you were to lose the business we give now, it=

pOmN 28 =you know, because what we're - what we're looking at -

pAvN 26 =wouldn't have a good effect either, wouldn't it

pOmN 29 Pardon me ?

pAvN 27 If you were to lose the business we're offering you now, aside from any increase in business, aside from any increase in business,

pOmN 30 It would be an expense, certainly. But there would be an expense for you too. There is a breach of contract=

pAvN 28 Yeah, we're aware of that.

pOmN 30 =settlement in there, -eh- Which is rather expensive. You then would have to go out and contract the payment out as well. Eh - Why go to the expense of breaching

the contract ? It is not a problem with the service from my company, sir. The service -

pAvN 29 I just=

pOmN sorry -

pAvN 29 =eh - the thing I look at is, I guess the old eggs in one basket theory. You put - eh- everything in one company and -eh- [2 secs] you know, if something happens - you say, you can guarantee - you know, what kind of guarantees will be built in a contract - eh- You're talking probably an increase [1 sec] up to about almost - almost a million dollars per year, from around a hundred and eighty thousand. It's a hell of a lot of business.

pOmN Yes,

pAvN 30 Even a portion of that is a hell of a lot of business. I don't know that I=

pOmN True

pAvN 30 =definitely want to commit a full - as of yet, I don't know if I want to commit our full efforts into your company.

pOmN 31 If you're not committing hundred percent, then what we can still do is quote this - the clerical staff on, this additional person, but then we have some free time that we can offset her salary and her time against some of our other accounts. Definitely. We were - I was only looking at it from the fact that if you gave us=

pAvN Um-hum,

pOmN 31 =a hundred percent of your business, it would be a hundred percent of her time. Obviously if you give us eighty percent of your business, then eighty percent of her time is - is designated to your business, twenty percent I can defray over=

pAvN Um-hum

pOmN 31 =other accounts.

pAvN 31 Okay. [3 secs] Well, you're looking for a commitment right now, then, on what we're to offer you, or ? [5 secs] is that what we're talking about right now ? [16 secs]

pOmN 32 Can we have a little adjournment ? [laughter]

pOmN\* 5 May we should have a cup of coffee. Time out ? [laughter]

## B R E A K

pOmN 33 Now sir; I believe we were talking about an increased market share when we adjourned for refreshments.

pAvN 32 Okay. Eh - [2 secs] the main interest we have, I mean aside from future business,=

pOmN Um-hum ?

pAvN 32 =the main reason we're here today is to try and resolve the problem that did occur. We need to get some kind of an answer, some kind of figures from you. Aside from future interests; I mean, this could help base our interests in your company by what your answer is - by increasing, to what extent I don't know - like you've said we have - before this all happened we have discussed about - we have talked about increasing, so we're definitely interested. But what kind of a - aside from all of that, what can you offer me to help compensate us with what happened ?

pOmN 34 Well, what we're offering you is -eh- increased service sir, if -eh- for increased market share. There's no question about that.

- pAvN 33 What about the liability for the -eh- incoming claims we have, and plus the - the outlay of the two thousand dollars we've already had.
- pOmN 35 Well, I - I think, you know, looking at the carriers' claims, which again I must stress the fact that we understand that there are none at the present time,
- pAvN 34 No, we have gotten some in.
- pOmN 36 Eh - it's also our information that the no-liability clause is invalid - only for [2 secs] other stuff. So, Okay, it's -eh- the liability is not a problem - we have a problem reading this and understanding this. But -eh- Yeah, yeah,
- pAvN 35 Well, we too, So you're saying that whatever liability, then you're willing to accept it,
- pOmN 37 Oh no, I never said that, What I'm -
- pAvN 36 All right, that's what I've got to get clear; I'm not -
- pOmN 38 Okay. What I'm saying is that you're having labour disputes at the airport; and your staff at the airport used us, or used this problem, as an excuse to walk out. And again I must go back to the fact that we understand that you have no claims as yet, sir. -eh- My company has no liability on that, and that I - I have to stress. Categorically. We will accept no liability for any claims that you may receive now or may have received or may receive in the future. Eh - that's not a point that we really can discuss. Eh - you know; you're having labour problems, they would have taken any excuse to walk out. This just happened to be the excuse. And you have insurance to cover any possible claims that come in. We can't accept any liability=
- pAvN Eh-
- pOmN 38 =on that, and -eh- I must apologise but -
- pAvO\* 3 [soft *aside*, to pAvN] No, we've nothing on insurance cover.
- pAvN 37 [*aside*, to pAvO\*] Yeah, I know we haven't. [aloud] But we don't - you know, that 's your interpretation of what happened. [2 secs] We don't really have any money to cover this sort of action -
- pOmN 39 Well, neither do we -
- pAvN 38 What we have, I mean - -eh- well, that's where it comes down to -eh- business basically. If we can cover our costs [1 sec]
- pOmN 40 Your costs at the present time are the two thousand dollars. That's it,
- pAvN 39 No we have - like I said, there has been additional charges over and above that which - we were just going with the two thousand dollars you'd given us, we're absorbing the other costs right now, which would be hard to break down, I guess.
- [out-of-role discussion:]
- pOmN 41 If I can just call a time out - is that information - no . Is that information in your -
- pAvN 40 Yeah . [laughs]
- pAvO\* 4 [inaudible]

pOmN 42 Okay. Because I didn't want to ad lib with the fact - okay -

pAvN 41 No, it - well-

pOmN 43 No

pAvN 42 There's - I think, on 'time out'; there's going to be some differences of interpretation on things too in here, which is -

pOmN 44 Okay. Okay. Back in.

[resume negotiation]

pOmN 45 Let's just settle on the -eh- the dispute at the airport.

pAvN 43 Okay.

pOmN 46 Do you not acknowledge the fact that you have had ongoing problems ? It's been well reported in the press -eh- that you're having industrial relation problems, morale at the airport is very poor, and particularly among the airba- airport-based staff. This - this problem -eh- would have occurred - this problem being the labour dispute - would have occurred over anything. Eh - would you not agree with that ?

pAvN 44 That's speculation. I mean, you don't know.

pOmN 47 Ah. But we do know that you're having labour relations problems, we do know that the airport staff were looking for an excuse to walk out. That's been reported in the press by - you know, fairly recently, and it's been in the papers for weeks now. That you have to acknowledge. Do you not ?

pAvN 45 There - We have had some labour problems, yeah. | -eh- Whether they were going to =  
pOmN | Okay

pAvN 45 =walk out for any kind of blink of an eye or not is up for discussion.

pOmN 48 Well, as I see it [2 secs] you've had ongoing labour problems, and you know we really shouldn't be talking about some of the difficulties that you face, because as a- as an employee - or employer ourselves, we understand some of the problems that are faced when you're dealing with - with labour. Eh - you know, what it comes back to is your business. No question about it. Eh - before we adjourn, I think you have given me a number as to what you are giving us on an annual basis ?

pAvN 46 It's -eh- [*checks papers*] I'm sorry, it was -eh- [*softly, pAvN*] I think they totalled those incorrectly. We can discuss that. [*aloud*] It's thirty six thousand per year, coming up to over five years a hundred and eighty thousand;  
pOmN Um-hum

pAvN 47 it could increase up to a million over 5 years, almost a million. You said 'per year' and I - that's it

pOmN 49 | So - the one million dollars is your total business ?

pAvN 5 Compared to | compared to the present hundred and eighty,

pOmN 6 | Just under.

pAvN 48 | Right. That's right, it would be total business.



pOmN 50 So - you know, really, we're very small fry with you right now. We play a very small percentage, [ / sec]

pAvN 49 Well I think it's - okay -

pOmN 51 We We play a very small percentage right now, and as we discussed earlier we are particularly interested in securing a larger market share, [3 secs] We have discussed the fact that we have a major computer; we have a back up system, and the back up system will allow the job to be redone within=

pAvN Um-hum

pOmN 51 =two days no problem; we are prepared to put additional clerical staff on, and to service your account; [ / sec] we guarantee that the information you supply us will be proofread in the future, because of this additional clerical staff; [ / sec] you will have labour free problems as far as cheque payments are concerned in the future; that has to be of some value to you. You've seen what can happen when your department supplies us. And what would have happened if you had have supplied that incorrect information to other departments that were issuing cheques, on the other 80 percent. You would have had a lot of airports out, you would have had a national problem. So it then becomes, I think, very critical on your behalf to ensure that you do not have labour relation problems, you do not have carriers submitting claims to you on a regular basis. That has to be worth something to you. And with that we are prepared to ease your mind with -

pAvN 50 And what -

If it came down to that, what -eh- I mean, you'd be - you would put liability in contract; in case there were another incident like this you'd be liable for any kind of damages we'd incur ?

pOmO\* 7 Well, that's - we'd have to work out the costs - I mean we can't just say=

pOmN 52 That's- That - that's impossible

pOmO\* 7 ='any liability'. It's impossible.

pAvN 51 It would be hard to - That's what I mean, so you know, without knowing that it'd be hard to say that we could give you a hundred percent, not knowing what you'd be willing to back up. So that's kind of a vague area we can't -

pOmN 53 What - what incr- what increase in market share would you be prepared to give us ? [2 secs]

pAvN 52 How would that affect what we have going on right now ?

pOmN 54 Well, because you've already said as well that we have been discussing increased market share. So I think we have to look at what that increased market

pAvN Um-hum

pOmN 54 share is to you and - and us. Now, you've said you don't want to give a hundred percent to anyone.

pAvN 53 I said - not to - I'm not=

pAvO\* 6 Time out.

pAvN 53 =necessarily the market share -eh- I think this is business that will actually be developed,

pAvO\* 7 It's not been any - it's not now decided yet ; factor by five.



pAvN 54 | Yeah, yeah, we've been talking about it, | Yeah,

pOmN 55 Pardon ?

pAvO\* 8 The- the- the increase of business has not decided,

pAvN 55 I mean it's not even - no, it's not even said that we have this other business to give out yet, Right now, from what I can see you have our business, | you have a

pOmN 56 | It does - it does with us, Like, it says that the present - | well it does with you as well, =

pAvN 56 | [reads] 'a working at present' -

pOmN 56 =because it shows what you're paying us - Eh, this is time out from negotiations=

pAvO\* Ya, ya,

pOmN 56 =but it - it shows what you're paying us over 5 years, | it shows what your=

pAvN | Right,

pOmN 56 =total business is valued over 5 years, | Obviously there's a big spread there, =

pAvN | Yes -

pOmN 56 =you know, We're - we're hundred and | eighty, =

pAvN 57 | Yes, and | you might make it

pOmN 56 | =and the total business is a million,

pAvN Yeah,

pOmO\* 7 And that's on business that is not computerised for the moment, such as accounts, costing, and traffic scheduling, plus personnel | records,

pOmN 57 | Oh, yeah,

pAvO\* 9 [aside to pAvN] All our records and things,

pAvN 58 So right now, I mean, that isn't really even - you know, nobody else is doing that either, | that means you have - you have hundred percent of our business, in=

pOmN | No, no, | that's if

pAvN 58 =that case,

pOmO\* 8 That is computerised, yes,

pOmN 58 Computerised, Um-hm, Back in then with whatever amount -

pAvN 59 But -

pOmO\* 9 No, that's fair, There's no problem, No,

pAvN 60 Okay,

pOmN 59 What we want to look at the computerised side, If you won't acknowledge the fact [ / sec] I'm a little confused on this, but it's - if it's twenty percent or hundred percent, nevertheless there still is a saving to you, because if it's not computerised - If we have hundred percent of your computerised business, and you projecting a million dollars over the space of five years, | mainly, I'm sure, it=

pAvN | Um-hum

pOmN 59 =has to be in salaries, If you can deduct the salaries, if you can through attrition or retirements, pregnancies, whatever - people are leaving, they're going into other businesses - if you can reduce your salary payroll, that has to be a saving to you, [2 secs] Excuse me, Mr. Observer, at thirty six - you see I don't

know what the rate of this is. That's over five years -

p0m0\* 9 Over five years. That's over five years and it comes to a hundred and eighty. And you are saying that there is a potential business up to a million.

pAvN 61 Well, nine hundred thousand,

p0mN 60 nine hundred thousand.

p0m0\* 10 So, Five - five times the present business. That's what we're talking about=

pAvN Right. Yes

p0m0\* 10 =in volume.

pAvN 62 Yes, yes, that's right.

p0m0\* 11 [to p0mN] May I just say one thing to you? [whispered conferences 53 secs]

p0mN 61 Anyway, sir, I think we have to come to some common ground, -eh-

pAvN 63 All right.

p0mN 62 [aside] What time do we have to finish here?

pAvN 64 We have two - one minute.

p0mN 63 We have one minute?

Is there any common ground? [2 secs] Do we have any common ground to look at? Common ground as I see it is the fact that you are having labour problems at the airport and it really - actually, it comes down to the fact that you would have had no problems as far as the walk-out is concerned related to the problems with the cheque run, if your staff had have provided the correct information. We got the wrong week from your staff, which word processors do not read,

pAvN 65 That is in there; Okay.

p0mN 64 That is here. Definitely [name pAvN]. Eh - What it says in ours is that 'incorrect coding data was provided by the department staff' and in brackets 'wrong tax-week number, which your operator failed to notice.' Definitely. That is there. -eh- That's documented. We - we have proof of that. A word processor doesn't read what they're typing. -eh- If you're a typist or a word processor - I'm sure your secretary wouldn't even know what -eh- letter she was typing for you; she just types what's in front without even reading it,

pAvN 66 It doesn't go out without proofreading.

p0mN 65 The bank teller as well -

pAvN 67 These don't go out without having a proof reading -

p0mN 66 Ah, but you're paying her to proofread. We're paying one girl to sit and code in, and I think we really have to come back to the fact that we are prepared to put additional clerical staff on but you have to increase our market share. It's not difficult then.

pAvN 68 Getting back to that, as an example using the secretary typing the letter, she's the same one who proofreads her own work. [2 secs]

pOmN 67 But she's - has the time to do that. Well, we're talking - I mean I'm talking about some incorrect information that came in to us to the word-processor. Okay ?

pAvN 69 I don't know about time - Um-hum

pOmN 68 I mean she's just there typing it in, [2 secs] Are you prepared to give us additional business ? Are you prepared to even consider it ?

pAvN 70 We're prepared to consider it. It's going to take other talks, because we have to get something from you as guarantees, I would say.

pOmN 69 What does it have to come - what do you require from us for additional business ? Let's look at that, [1 sec]

pAvN 71 Aside from - aside from the new business itself and how the terms will=

pOmN 71 =affect that - Aside from

pAvN 71 Yes, what for your additional business ?

pOmN 70 Well, we're looking for the two thousand dollars we had to lay out in cash;

pAvN 72 Yeah, okay.

pOmN 71 Plus some agreement on a liability. We feel that the liability should at least be shared between us. -eh- There was the fault with us giving you the wrong info, there was the fault with you just plugging it and not catching it.

pAvN 73 Okay.

pOmN 72 What would you be willing to -

pAvN 73 I still - What I heard from you is the fact that what you're looking from us; what I haven't heard from you is what you're prepared to give us.

pOmN 74 Well like I said, we had already - we've already had some of the costs -eh- The two thousand dollars doesn't include the full costs of the original manual payroll system. We're just also saying the two thousand dollars was the figure you've given us. Those other costs we've already absorbed.

pAvN 75 Okay. But I still haven't heard - What you've said is that you want two thousand from us, you want an acknowledgement on -

pOmN 76 Well, we we had originally said twenty thousand; What is your offer ?

pAvN 77 Okay. So all you're really looking for us now is twenty thousand dollars. Is that correct ? Or sorry, two thousand.

pOmN 77 Basic - basically we've never - we've never gotten a counter offer from you.

pAvN 76 But you - you're looking for two thousand dollars from us, You said if you get=

pOmN 76 Yeah

pAvN 76 =something from from us, you would give us something. What I'm asking, sir, is; you want two thousand dollars from us; what increased market share are you prepared=

pOmN 76 Well,

pAvN 76 -give us for that concession from us ? for us to consider it.

pAvN 78 That would depend on -  
Well, the market share again, that would depend on what's going to be in the contract.

pOmN 77 No, but you said that you would give us something if you got something from us. What I've heard is what you're looking from us, what I haven't heard is what you're prepared to give us.

pAvN 79 We're prepared to discuss the contracts, or I mean future business; I would say you know, there's definitely going to be future business, that's got to be discussed, as to what extent I don't know. Whatever is increased even if it's increased another  
pAvO\* Terms -  
pAvN 79 twenty percent is still worth your while.

pOmN 78 Yeah, but I mean we're still -

pOmO\* 12 [whispered conference with pOmN; 24 secs]

pOmN 79 Eh - excuse me, We're - we're still talking abstracts, I mean we're talking the two thousand from us; all you're saying is that you're prepared to discuss further business. -eh- We have further business right now, in the way of a five year contract, which it's going to be expensive for you if you breach a contract, we don't want to get into that.

pAvN 80 It's expensive for you too, so -

pOmN 80 Yeah, it's six of one, half a dozen of another, no problem; we acknowledge that fact.

pAvN 81 it would do you

pOmN 81 What I - you know I can take the same position and say well, we'll consider paying the two thousand dollars but we'll go and we'll discuss it, -eh- If we continue to take that - that attitude, there's no give and take, -eh- We might just forget it and walk out, as you suggested earlier, I would say, sir, that if you give me something I will give you something, I will not give you nothing if you give me a measure; I have to have something concrete that I can at least consider.

pOmO\* 13 So may I ask - The - the - the contract terms we have running at present, for the time being contract; are you happy, are you satisfied with these terms ?

pAvN 82 Um-hum, Well  
apparently not with the no liability claim

pAvO\* 11 No, We have to change - we have to change those terms.

pOmO\* 14 So what's wrong with them ? The liability ?

pAvN 83 Yeah, You're claiming the liability, which they say is a breach - which we're saying is a breach of the unfair contract terms act.

pOmO\* 15 Okay; What we are claiming - Hang on, What we are claiming it is that - =  
pAvN Well -  
Om2 15 =[ to pOmN] sorry - what we are claiming is that we have no liability if it's not fault on our side. Now.  
pOmN 83 That's what we're saying.

p0m0\* 16 That's what it says in the contract, |That's the only thing it says in the contract,  
pAvN |Um-hum.

p0mN 84 We - we would be prepared to consider putting in [2 secs] a liability clause if our  
staff are at fault, okay ? |That's no problem. In a - in a new contract we=  
pAvN |Um - hum, Sure.  
p0mN 84 reconsider it.

pAvN 84 Well how would that react; like say we give you the wrong figure, and you don't  
catch it, whose fault would it be ?

p0mN 85 Ah !

p0m0\* 17 Yeah but we're covering up for that by - by putting in that |supervision.  
pAvN 85 |Well, that's what I'm  
saying, I mean; in a future contract |you would say that would be your fault ?

p0mN 86 |we would we would - |Yes.  
p0m0\* 18 |We  
would proof - we would proofread. [to p0mN] |Sorry.  
p0mN 87 |Yes. Because we - we've already  
acknowledged the fact that we are prepared to put the girl in to proofread  
everything. If we make the mistake then, our - we are liable. |No question about -  
pAvN 86 |No matter what is  
provided to you,

p0mN 88 No matter what is provided. If that information can be cross-checked, -eh- as for  
example with the tax-week, yes, because that would be picked up. If a person's name  
is -eh- spelled wrong, we certainly wouldn't know that; it could be Rolf it could  
be Ralph, | -eh- but if the information is proofreadable, we will put in a new=  
pAvN |Um-hum  
p0mN 88 =contract that liability clause, sir, which has to be -eh- has to free you up, and  
peace of mind. And what we could - what we suggested is that we will put additional  
staff on, we are prepared to put the new liability clause in there, but we have to  
look at an increased market share, [2 secs]

pAvN 87 I mean, I would definitely say you know if we get - [aside to pAv0\*] All right  
[whispered conference; 12 secs] All right, if we increase the market share it's  
hard to say what would be increased. It's possible five-fold, that's undetermined.  
All right. That's probably at the - the outside. Eh -

p0mN 89 Can we look at a minimum then ?

pAvN 88 [3 secs] Maybe - I don't know - the minimum'd probably be another twenty percent I  
guess, from the figures you were given. You know; you're saying twenty percent now,  
the minimum would be another increment of twenty percent, just going by the figures  
that we've got |here,  
p0mN 90 |Okay. -eh- Well -

pAvN 89 But then you said you could offset that with other - your other accounts,

p0mN 91 What you're looking at then sir is a twenty percent increase. Now; for the  
additional cost of a liability we can discuss the new contract. What you're saying

## Appendix Section 2

is that you're prepared to go a minimum of twenty percent market share increase, maximum being -

pAv0\* 12 [aside to pAvN] I should not give them more than twenty percent.

pAvN 90 [to pAv0\*] Well, I guess he needs a range, or something.

pOmN 92 Well, I need a range to look at, because if we're going for liability insurance, we have to know what market share we're going to have.

pAvN 91 Well, what do you - what do you need, if we say - Just going back to the main problem, our two thousand, our twenty percent liability- our twenty thousand liability; we need that covered. What do we have to do to have you cover that ?

pOmN 93 Okay, I think we've established the fact that - in fact, I know, not think; I know as far as we're concerned we've established the fact that we have, in our contract, it states that there's no liability, no question about it; -eh- we acknowledge no responsibility for whatever claims may be settled from the various carriers. Our information is the fact that you have had no claims. If you have had some, sir, - eh- that's regrettable; however, I wouldn't say - you know, it's - it's the price of doing business. -eh- Obviously you have labour problems, that has to be settled as well. -eh- That's part of your carriers claims, and you have to look at that as a separate issue, not with us, but with your labour unions, against this problem with the cheque run. Your dispute with the carriers, caused by your labour relations, you should be claiming against the union that walked out, sir; not us. We didn't leave you high and dry. We had a back-up system which failed because of incorrect coding. We were looking after your interests; we had two systems that failed because of information that was fed to us incorrectly. Claim against the labour unions.

pAvN 92 You also missed it, so that's what I mean

pOmN 94 Claim against the labour unions. You get your twenty thousand from them. We're prepared to consider some settlement on the two thousand dollars only, and I stress only, if there's something else in it that is of mutual benefit to you and I. If we can supply some peace of mind as far as liability is concerned in the future, we are prepared to put it in the new contract; we are prepared to put additional clerical staff on, we do have the backup system, we have the primary system, we can reduce your - your labour payroll in the future; there are so many benefits, sir, so many benefits

pAvN 93 We - We - Eh - this - [ / sec] There's another possibility, too. -eh- With whatever our total of claims may be, can be offset against what you charge us per year, for the next five years. [3 secs]

pOm0\* 19 Of doing business ?

pAvN 94 Of doing future business with us. Whether our claims be five thousand, ten thousand, you would incorporate that into your rates for the next five years. Plus make good on the two thousand.

pOmN 95 What it - What you're saying is that if we pay -

pAvN 95 In other words, if it were - if you - if the - if it's supposed to be fifty thousand dollar contract, you give us so much discount off on the contract, that will make up for our losses from this first problem. [3 secs]



p0m0\* 20 [whispered conference with p0mN] [aloud] Sounds awful, [laughs].

p0mN 96 Based on [1 sec] a hundred percent of your business, we would be able to do that,

pAvN 96 Plus the whole two thousand? [3 secs] It would have to be I think an equitable trade-off, hundred for hundred; hundred percent for hundred -

p0mN 97 hundred for hundred,

pAvN 97 Plus, we'd have to have a guarantee for future - so we wouldn't have this problem in the future,

p0mN 98 Okay. For hundred percent of your business, building in the liability clause, [2 secs] building into the fact that we pay you [2 secs] -eh- a discount, or shouldn't pay but we offer you a discount over the lifespan, we're just getting down to an agreement,

pAv0\* 13 [softly] He talks too much, [laughs]

p0mN 99 We get a new contract for hundred percent of your business, a liability clause built in, a discount to cover any out-of-pocket expenses that you're going to have because of possible claims -- which could be zero, exactly, plus we give you the=

pAvN 98 Which may come down to zero -

p0mN 99 =two thousand dollars which you're out of pocket,

pAvN Um-hum,

p0mN 100 Do we have an agreement on that?

pAv0\* 14 All our expenses?

p0mN 101 Two thousand dollars,

pAvN 99 Two thousand, plus any claims which may be coming in, about which we'd also have -

pAv0\* 15 All we have - all claims coming in?

p0mN 102 Yes,

pAv0\* 16 That's what you're saying; all - all -

pAvN 100 Plus the guarantee that if this were to happen in the future, there will no argument about the liability,

p0mN 103 Well, not all claims, because I mean we don't know what all claims are going to be, but up to twenty thousand dollars,

pAv0\* 17 Well I'd say=

pAvN 101 No, Yeah, I'm talking about -

pAv0\* 17 =Full coverage

p0mN 104 Well full coverage could be=

pAvN 102 Just, aside from this, if it were to happen again in the future -

p0mN 104 | =a million dollars.

pAv0\* 18 No, it | couldn't.

pAvN 103 | With your people per- No, I'm not talking about - up to twenty thousand for  
this incident. If it were to happen again, there will be | something built in

p0mN 105 | Full liability.

p0m0\* 21 Full liability.

pAvN 104 That's what I meant.

p0m0\* 22 Okay.

p0mN 106 Agreement ?

pAv0\* 19 | Okay. Agreement.

pAvN 105 | Agreement.

p0mN 107 All right. Now let's write down -

E N D

## CONTRACTING OUT; Transtema, Topic map (topic X turn)

	CARR CLMS	COMP MALF	DATA CODE	\$2K PAYO	DEFT PENL	INDS RELS	FUTR BUSI	LIAB CLAU	PRES BUSI	CHK DATA
nominate topic		Av3 Om								
prop	Av4	Av		Av4 Om						
agree				Av						
info				Om						
topic shift		Om5 Av								
info; topic shift		Om	Om6 Av							
info		Av	Om							
info		Om	Av							
deny			Om							
info			Av							
info		Av9 Om	Av							
topic shift	Om9 Av			Av10 =Av						
info	=Av									
=prop										
s/w topic shift						Om10 Av				
info		Av11				Om				
info						Av				
deny						Om				
deny; info						Av				
info		Om13				Om				
deny; info						Av				
deny; info						Om				
=restate prop	=Av15									
topic shift										Om15 Av
confirm										Om
info										=Om
=reject prop	=Om16		=Om16							
topic shift										
restate prop	Av17			(Av) Om18			Om17			Av17
agree										
=prop	=Om18 Av									
confirm chk	Om									
confirm	Av									
topic shift; info					Av19					
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info						Av22				
=prop	=Av22									
confirm Q			Om							
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agree prop	Av37			Av37 Om						
confirm Q				Av						
confirm ; prop										
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reject										
new prop										
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summary prop										
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info		Av42								
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prop										
agree										
confirm Q										
confirm agree'm't										
summary prop	Av47 Om			Av47 Om						
agree	Om									
summary prop	av									
qualif, agree	Om									
prop info	Av			Av						
agree	Om			Om						
ackn	Av									
confirm chk	Om									
topic shift										
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AGREE AND END



tOmN\* 7 Oh, yes, of course on that point we totally agree with you, that is our machine, but; the problem was from the beginning that you gave us wrong week number,

tAvN 8 I don't think we did, I think the - the -the=

tOmN\* 8 You actually did - that,

tAvN 9 =the [2 secs; looks through papers] data processing error, and the machine malfunction, was the cause of the non-payment; the actual processing of the data we gave you. We don't process any data, all we do is give you the information, and it's the data processing and the error in the machine which resulted in the malfunction, your malfunction, that led to the -eh- non-payment of the payroll, which caused staff to walk out, and a loss in - eh - service given,

tOmN\* 9 Yeah; no - no - no - no doubt -eh- we have made that mistake; we're quite aware of that, and - eh - but - eh - about the cost base; how did you really reach that figure, twenty thousand ?

tAvN 10 All we're doing is really covering what costs we indicated to you intially, which are the cost liabilities we have from the airlines, charging us for their lost=

tOmN\* um-m-m ?

tAvN 10 =incoming flight service, customers, landing, etc, etc, because of the disruption, and as indicated, that is likely to equ- could exceed twenty thousand, we don't know. But as we've said in the letter, we wrote to you and said in the letter that - eh - a - a liability, if these claims are established, will be maximum, absolute maximum twenty thousand. We haven't had those costs in yet, but that - even that could go up if the airlines themselves decide that the liabilities against us are higher=

tOmN\* Um-m

tAvN 10 =but - eh - I think we indicated in the letter that twenty thousand would be our estimate, so I think we'll have to stick with that. It could go up, but if we've over estimated that - sorry, if we've under estimated that, then we accept that's our problem. It's just that that's a purely an estimate from the information we have in hand now. That's the twenty thousand. The two thousand pound is from the figures you gave us; originally, when you did the - eh - survey and the analysis of the system, you indicated our costs at present were two thousand pound. That - that's simple enough. But the twenty thousand is the liabilities we have with the lines themselves, which is a cost to us. We don't want to go away from here losing=

tOmN\* Um-um

tAvN 10 =anything. If we go away and we've lost money, because of something which we did not control, then I would say there is a definite, almost certainty that we would not give you any other work that we've initially indicated that we could do in the future. We don't want to cost any- don't want it to - to be causing us no additional cost whatsoever,

tOmN\* 10 Yes. And - eh - you mean all that happened in the - all the problems at the airport actually, was because of this lost payment ? Is that actually so ?

tAvN 11 Um-hm, oh, yes. We - we have people who work for us; at the moment the morale now is very low because we didn't pay them, and they are very concerned why we didn't. And when we explained it was a fault of the processing and machine computer, they're not interested; all they want is their money. And when we tried to explain to them that it was just a breakdown, a machine error, a processing error, these type of clerical people, ancillary staff people, they're not interested. They just want their money paid, and if you don't pay them, they want to know why; they worry about the company not having enough revenue, they wonder about we won't pay them, etc, etc. And I mean you know - they were- they - they - they were very angry about it, Very angry indeed,

tOmN\* 11 Oh, I - I can see that they are angry, but -eh- isn't it possible that - eh - you had some problems, even before that accident, the accident? Because we have - [ / sec]

tAvO\* 1 No,

tAvN 12 No, no. Everything's

tOmN\* 12 Because otherwise

tAvN 13 We - we've - if there had been any problems prior to this one then they would have manifested and we would have had the disruption. But we have had no disruption whatever. I can't see any indication at all where -eh- you can think that. I mean, you know - the - the - it was payday; they expected the money, and you didn't -eh-  
Yeah

tOmN\* 13 =you didn't give us the ability to do that. I can't see how any other -eh- I can't see how any other cause -

tOmN\* 13 And - Well, - in - in our opinion, we think it's a little overreaction, actually, for this, and -eh- we suspect, are pretty sure, that there must have been problems earlier and that this may be what's the causing effect, but it shouldn't - the impact - the impact shouldn't have been big, in case we didn't help problems - within the whole situation,

tAvN 14 That's something I don't know; I don't know, I mean that's something we don't know. We'll never know that. All I can say is - for sure - when they didn't get their wage, then they took the action they did,

tOmN\* 14 -eh- Okay. That we knew,

tAvN 15 I - I - I can't honestly say that - certainly we'll take your advice, and we'll go back and we'll talk to the people to find out if there was any other extenuating circumstances why. I mean this is the first indication we've had of this. Our standp - our - from the - from the information we have, there is no indication at all that there was ever any problems. None whatsoever. But, we'll take your advice=  
um-hm

tOmN\* 15 =all we - all we're saying is, from our letter and from today's meeting, is that we want to cover the costs. The indicated costs at the moment are estimated at twenty thousand; the actual costs to the Depart- Department are two thousand. So certainly two thousand, I mean we - we- that's - that doesn't even enter into it, I mean that is - surely we must have from you immediately. It's this question of twenty thousand,

tOmN\* 15 Um-m-m. And -eh- okay; we have a five year contract with you which we have now had for 10 month,

tAvN 16 Almost a year, so, yes,

tOmN\* 16 Almost a year, and -eh- [2 secs] I'm sure we can come to some agreement on this point, because -eh- since we are good working - have been working together very fine up to now, it's -eh- Of course we want to continue the good relationship. So=  
yes

tAvN 16 =I'm sure we'll find some way in between here. But -eh- we find it -eh- pretty tough with -eh- paying twenty thousand and we have a feeling -eh- that -eh- you should - that you have a little of responsibility for this accident, actually=  
m-m-m

tAvN 16 =and I don't think that we should take all the responsibility with it,  
m-m-m



- tOmN\* 17 And -eh- you said some [4 secs; checks papers] yes, 'there is no future' - have you said anything about future, [2 secs] What's your opinion about this, my suggestion ?
- tAvN 17 Well, we know that if -eh- obviously we - we- we have had good relationships, we want to continue to have good relationships, and you know we're looking to you to - to- to- to- make us an offer. What - I mean, you know what our requirement is, -eh- You know; what sort of offer are you looking to settle at ? We're - we- we're saying we're looking for the full twenty two thousand as two thousand immediate payment, twenty thousand to cover our costs which, we're not making profit, we're saying as we said in the letter, these are the liabilities we have, which were caused by the problem -eh-. You know, what - what- what - what basis - or what can you offer ?
- tOmN\* 18 Well, we can agree on the two thousand at once, that 's -eh- quite okay. We - in - and -eh- I shouldn't make any - it seems to be a - a realistic claim, | -eh=
- tAvN | yeah
- tOmN\* 18 =but -eh- I should suggest that -eh- we split the other part, [2 secs] You say twenty thousand, We are willing to pay within this year, ten thousand ?
- tAvN 18 [3 secs; writes] Fifty percent.
- tOmN\* 19 Yes.
- tAvN 19 Well, we can see that if we -eh- if we don't get more than that [3 secs] if - our costs - If we break the contract, our costs will only be just over ten thousand. So I think you're being a little bit unrealistic there [1 sec] because there's - there's nothing we can [sighs] - like I say, we don't want to lose money. -eh- [4 secs] Hm- [14 secs; looks through papers]. I think I'd like to adjourn if I may, and discuss further. Can you give us one minute ?
- tOmN\* 20 Oh, sure.
- tAvN 20 Right. I think I've missed something.
- tAvO\* 2 [to monitor] We're having a little negotiation. I'm sorry for that. Coffee break.
- tAvN 21 Poor calculation. Right.

## B R E A K

- tAvN 22 Right. Eh - we listened to your advice you gave us first of all, saying that the possibilities of other -eh- problems leading to this walk-out could stem from something that wasn't brought to our attention. We've no indication of that at all, none whatsoever. All we can say is that the walk-out was as a direct result of the non-payment of the wages. But certainly we'll take your advice, and we'll talk to our people when we go back. Certainly we know now that they're at very low morale, and they are not too sure of what we're doing. We've done -eh- a calculation and we -eh- we estimate that we would need a minimum I think fifteen thousand contribution from yourself, plus the two thousand | which we've already agreed, yeah. The figure=
- tOmN\* | plus the two thousand
- tAvN 22 =we've got; -eh- really - We accept your argument that there could be, there could be some underlying problem, but there's no evidence of that, but as I said we'll take your advice. If that is the case, and you agree to a pay fifty fifty, then we feel fifty fifty would have to be on the liability. Now, the liability cost simply to us would be the twenty thousand from the airlines, and -eh- the - the breaking of the contract with you; we're liable for ten thousand six hundred, if we break your contract | so that's £ 30,000. I think your figure -eh- is below the fifty fifty=

- tOmN\* | yes  
tAvN 22 =mark on the total liabilities of our two companies. Like you say, we'd like to continue -eh- okay? We -eh- we - we- feel to go fifty fifty, which we agree with you, but the figure wouldn't be ten, it would be fifteen thousand to be fifty fifty on the total liabilities that we have. And -eh- if we say - if we accept -eh- compensation from you at fifteen thousand then we would certainly say that unless you can increase that, we wouldn't look favourably on continuing business in the future with you as we originally indicated.
- tOmN\* 21 You would not ?
- tAvN 23 We would certainly accept fifteen thousand plus two thousand as compensation from you;=
- tOmN\* 22 Yes ?
- tAvN 23 =We'd take your advice and talk to our -eh- people when we get back; as I said,=  
tOmN\* | U-m-hm,  
tAvN 23 =we don't feel there's any indications that we know of that have led to that disruption, but we certainly take your advice, and talk to them, and -eh- but I would say that -eh- if- if the reduction in compensation that you're seeking is a fifty fifty one, then certainly we would have to reconsider the possibilities of giving you any further business in the future. [4 secs] We base our -eh- fifteen thousand on - on- on the - on the - as you say fifty fifty - on the total liabilities.
- tOmN\* 23 Well, total liabilities; I don't understand | in this case =  
tAvN | total-  
tOmN\* 23 =how you can include -eh- the fine you have for breaking the contract ?
- tAvN 24 It's a cost to us, I mean that a | - that's a liability cost to us. And we also - if=  
tOmN\* | Well, it 's a cost, but -eh-  
tAvN 24 =we break that, then we have to also pay for the compensation to the lines themselves. So we - we - we have to pay twenty thousand to the lines, the - as we've indicated in our letter, plus ten thousand six hundred to you, which is thirty thousand six hundred. | -eh- I mean we don't want to break, we want to continue=  
tOmN\* | U-m-m  
tAvN 24 =working, we don't want to break the contract, | but we see our liability as that,=  
tOmN\* | no  
tAvN 24 =eh- if - if we break that contract, then obviously it'll cost us that amount of money.
- tOmN\* 24 [2 secs] U-m-m- ? [2 secs]
- tAvN 25 So we - we could accept a payment of -eh- in compensation from you, of seventeen. But, having said that, I must underline the fact that we would not, certainly not, consider you for -eh- further business as we originally indicated in the future.
- tOmN\* 25 Uh-huh, [ / sec] Well, | I may -  
tAvN 26 | If you recall -
- tOmN\* 26 I had meant to make a little phone call to my - number -
- tAvN 27 Would you like us to leave ? [laughter]
- tOmN\* 27 No, no that's okay, that's okay. [laughs]

## B R E A K

- tOmN\* 28 Okay, I understand here that there have been some -eh- discussion about future enlargement of our contract too, | Eh- I didn't know so about it but I - I had some=
- tAvN | Yes,
- tOmN\* 28 =new information about it right now,
- tAvN 28 You weren't aware of it before the meeting ? That there have been exchanges between the two | companies,
- tOmN\* 29 | Eh - well, yeah, of course but -eh- I didn't have all the information, but
- tAvN | -eh- I just -eh- talked -eh- to - and -eh- we=
- tOmN\* 29 Uh-huh
- tOmN\* 29 =could agree to your -eh- if you - from your first proposed twenty thousand if we say eighteen thousand on that, and there will be negotiations about our future cooperation [*indistinct*],
- tAvN 29 Plus the two ?
- tOmN\* 30 Yeah,
- tAvN 30 Yeah, One thing we would also like, -eh- maybe we should have mentioned earlier, but -eh- it's -eh- it's - unfortunately it's something I missed, -eh- and that is the - the- the need to - and I'm sure you agree- the need to change the contract we have with you at the moment slightly, to get rid of this -eh- -eh- unfair - what we feel is an unfair no liability clause, I'm sure you'll accept that | the no=
- tOmN\* | u-m-m-
- tAvN 30 =liability clause, I mean=
- tOmN\* 31 Yes, oh yes, | sure
- tAvN 30 | =I want that out of the contract, and what I would like to be able to write -
- tOmN\* 32 That - that - that for sure is - I'm | -okay we'll agree with that, |
- tAvN 31 | unfair, | What - what I would like to replace that with, -
- tAvO\* 3 May I ask - ask a question ?
- tAvN 32 Yeah ?
- tAvO\* 4 Yeah, okay; you said you will agree to eighteen thousand instead of twenty thousand,
- tOmN\* 33 Yes,
- tAvN 33 Eighteen instead of twenty,
- tOmN\* 34 | Yes, plus the two thousand
- tAvO\* 5 | Yes, plus the two thousand, Okay, | We must consider that, [*name tAvN*]
- tAvN 34 | -eh- yes, and
- tOmN\* 35 You'd like to adjourn ?

tAvN 35 Sorry, we'd like to adjourn if we may.

tAvO\* 6 Only - only a short break.

tAvN 36 Yeah.

tAvO\* 7 Okay ?

# B R E A K

tAvN 37 [sucks in breath] Phew. Yeah; we agree. We'll accept those terms, the eighteen thousand. Plus the two.

tOmN\* 36 Plus the two ?

tAvN 38 Yes. Eh- We would like to, if it's possible, just cover that final point on the unfair contract; -eh- we feel it's necessary to - for the next five years, ignoring inflation etc., we 'd like to build that into the contract as a - rather than going through the motions again as we have done, an agreed settlement, we'd like to write that into the contract, if such an occurrence happened again, which I'm sure it won't. I mean, you've found whatever the problem was, you've rectified it, you've solved the problem, but I think for our own board -eh- and our own peace of mind, we'd like to write into the contract that should there be another failure of the same sort, that results in non-payment to our staff, then we would need that figure writing into the contract as a penalty, on your behalf. A liability. In other-

tOmN\* 38 =words, if the same thing happens again, rather than going through all these discussions to agree this eighteen thousand, -eh- we think that is necessary to write into the contract, to - to - as a - as a - as a - as a penalty clause against your company, if you-

tOmN\* 37 Well we- we couldn't - it's a - we cannot say a favour like that in the future. It's pretty difficult to say because you don't know [ / sec] the reaction - what the actual cost in the future the amount, so -eh- I couldn't see how we can just say a figure like that.

tAvN 39 Okay, if we change the wording from 'no liability' to 'total liability' of our -

tAvO\* 8 Depending on what we - wha- depending on - on our liability. If we have a-

tAvN 8 Yeah, Yeah.  
tAvO\* 8 =liability of twenty thousand and we find out that the -eh- full responsibility is yours, you pay the f- our liability; if we find out that the liability or the -eh- let's say the fault is fifty fifty, you pay the half.

tOmN\* 38 Um, on that we can agree.

tAvN 40 Okay, so we - we change the wording of the contract from 'no liability' to - to - Full liability

tAvN 40 to full liability. Without setting any costs. Without setting - we - like you  
tOmN\* 40 Yeah,

tAvN 40 say, it's un- may be unfair to - it could be worse on our behalf in the future the - the - the result of an error on your part could result in dramatic increases in those costs, or reductions. We don't know until it happens, of course. So, as long as we can change the terms -

tOmN\* 39 Well, -eh- -eh- -eh- This is dangerous ! [laughter] Well, no limit - eh- is it -

tAvN 41 Well, no - no - no | limit, not in - sorry [name tAvOx]

tOmN\* 40 | There must be | There must be a limit, of  
course, for [2 secs]

tAvN 42 No, we're not - we're not looking to - I mean, the - the problem was caused by  
yourselves, the error in the equipment, in the machine was caused by yourselves,  
there's no way we can affect that, so we feel that if - if - if the same type of  
[ / sec]

tOmN\* 41 Well, actually we're - we're not writing an -eh- agreement for a future right now=  
tAvN Mm-hmm  
tOmN\* 41 =but -eh-

tAvO\* 10 | No, this is a- this is an - -eh- -eh- a changing of the | -eh-  
tAvN 43 | Present agreement=

tOmN\* 42 Oh, yes  
tAvN 43 =only this present agreement which has 4 years to run. Yeah, yeah. Just to take  
away this no liability and put in that the liability, if the problem is caused by  
yourselves, is your liability. If there is machine and processing error in future,  
then the liability is yours.

tAvO\* 11 Because one thing, you have it here; unfair contract terms are given.

tAvN 44 That's right [4 secs] My - it should never have been in there in the first place.

tOmN\* 43 No, it should not,

tAvN 45 No, no. So we must have that taken away and put in that you are liable. Without  
discussing costs, I mean the- the- you're quite correct in saying that -eh- costs  
are impossible to predict in the future, | so yeah, I agree. Eh - as long as=  
tOmN\* m-m-m  
tAvN 45 =we take away the word 'no', and that you are liable for -eh- -eh- any error caused  
by the machine or processing that you undertake on our behalf. [ / sec] Okay ?

tOmN\* 44 Yeah,

tAvN 46 We agree ?

tOmN\* 45 Yeah -

tAvN 47 That's eighteen thousand plus two thousand -

tOmN\* 46 Yes,

tAvO\* 12 And this eighteen thousand was to be paid with - -eh- this year,

tOmN\* 47 Well, when the- when the claims come,

tAvN 48 Yeah, Good, We'll get the claim immediately off to you and then we expect payment  
in full within the normal trading terms, two thousand pound now, and the eighteen  
thousand | within normal trading terms, charges and rates in our invoice to you, |

tOmN\* 48 | yeah, we are - yeah | Yeah,

tAvN 49 Jolly good.

tOmN\* 49 Okay ?

tAvO\* 13 Eh- Then we have -eh- this one, and then we have the agreement, and -eh- maybe you will say something [*name tAvN*] about the future ?

tOmN\* 50 Yeah - we- that's what we -

tAvN 50 Well, I would - we've - we seem to have reached an agreement; -eh- I can't see there's any reason why we would not still continue to -eh- levy business your way; we seem to have settled - settled amicably, if there is any further business like all the all the other companies that buy - bid for them or put in a tender, you will certainly be considered for any new contracts.

tOmN\* 51 Thank you, Let's hope,

tAvN 51 That's all right, eh ?

tOmN\* 52 Okay, That's making me suspicious ! [*general laughter*]

tAvN 52 Hooray !

tAvO\* 14 Thank you very much,

tOmN\* 53 Still, it's settled, [*laughter*]

E N D



# CONTRACTING OUT: Volvo. Topic map (topic X turn)

	CARR CLMS	COMP MALF	DATA CODE	\$2K PAYO	DEFT PENL	INDS RELS	FUTR BUSI	LIAB CLAU	PRES BUSI	CHK DATA
info		Av3								
Q; s/w topic shft						Om3				
info		Av4				Av				
topic shft; prop	Av5									
open Q				Om4						
info				Av						
				Om						
topic shft			Om6							
clarify chk			Av							
clarify			Om							
clarify chk			Av							
clarify		Om8	Om							
clarify Q			Av							
clarify			Om							
info			Av							
s/w topic shft			Om							
info; Q			Av11							Om10
info			Om							Av
=prop		=Om11	=Om							=Om11
info										Av
ackn										Om
info blame		Av13	Av13							
prop 50/50		Om	Om							
info			Av							
info			Om							Om14
info			Av							Av
ackn			Om							
info;										
prop meeting								Av16	Av16	
agree									Om	
prop meeting									Av	
topic shft; prop	Av18			Av18					Om	
info	Om									
info	Av									
open Q	Om									
info;	Av									
=prop	=Av		=Av20							
confirm chk	Om									
info; restate prop	Av					Av21				
summarise prop	Om					Om				
ackn	Av					Av				
ctr-prop	Om					Om				
qualif agree	Av					Av				
=info		=Av23	=Av23							
=new prop	=Av23									
reject	Om									
	Av									
reject; info		Om25					Om25			
confirm chk	Av26									
confirm							Om26			
info; prop	Av27			Av27						
info	Om			Om			Om27			
info; prop							Av			
ackn								Av28		
info	Av29			Av29				Om		
topic shft							Om29			
reject; info	Av30						Av			Av30
prop	Om			Om						
confirm chk	Av			Av						
confirm	Om			Om						
agree	Av			Av						
info	av			av						
agree	Av			Av						
agree	Om			Om						
topic shft										
Q (prop)							Av34			
info; invite prop							Om			
info							Av			
info							Om			
							Av			
							Om			
info							Av			
prop study							Om36			
qualif agree							Av			
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AGREE AND END

**CASE ONE: Contracting Out**  
**Room: Volvo**

Aviation    vAvN\* = Buyer, K. N. (Swedish)  
                 vAvO\* = Observer, J. V. (French)

Omega        vOmN\* = Seller, M. L. (Swedish)

\* = non-native speaker of English  
number after the speaker's alias = turn number for that speaker

- 
- vAvN\* 1    Okay, [*name vOmN\**] Thank you very much for coming today.
- vOmN\* 1    Yes.
- vAvN\* 2    You took the time.
- vOmN\* 2    Thank you for the letter. So - what really happened ?
- vAvN\* 3    Well, -eh- I must say that we -eh- we certainly went through -eh- a terrible time with a - a lot of disturbance dur- during the -eh- the problems with the - with the payouts, and -eh- I'd say that a lot of airlines, well, have de- deteriorated after we -eh- after we solved all the practical problems, in that they have been sort of indicating whether we had problems with the -eh- with the economical side, whether we - we were in general running a disorderly economic -eh- function, and -eh- of course that means that we -eh- we stand to lose a lot of credibility amongst our clients, which is a very important part in -eh- in our business.
- vOmN\* 3    Yes, but do you think the disruption was only - was caused only by the -eh- lack of the payment ?
- vAvN\* 4    Oh definitely, I'm sure. Eh - because -eh- in the morning everybody was - everything was working fine and it was only when the word started to go around the staff that - eh- there was maybe no payment on the salary that everybody started to rush off to the pay office and ask if they had got their salary, so -eh- it all developed after the rumours of the payment started to -eh- to increase. And in general before that - eh- we have had not had any disruptions or problems with -eh- with our staff and the union, so -eh- we definitely must say that it- it- it circulated around that,  
[2 secs]
- 5    You have received our letter -eh- on the claim, -eh- and - and the -eh- explanation of the more -eh- practical things around this. I don't know if you have any - any comments to -eh- to the figures stated in there.
- vOmN\* 4    Ah, the comments that I have to the figures; that -eh- how do you estimate your costs for doing this manually ?
- vAvN\* 6    Well, that was simply estimated by the fact that -eh- we of course having contracted you to arrange this -eh- do not have staff hours set off to do this, so the -eh- the effect of - of doing this manual outpay was actually that -eh- we was incurring a lot of overtime hours afterwards for our staff, and -eh- what we have done is - is simply calculated the difference of a normal overtime period and the overtime occurred in this specific period. Eh - and calculated that as -eh- as our extra costs, because obviously -eh- this had first priority and the other things that the staff are

usually occupied with had to do - be done on overtime after work hours=

vOmN\* Mmm,

vAvN\* 6 =so we think ourself that the - the amount is - is very realistic, and it's actually based on - on actual cash payout from our side,

vOmN\* 5 That's a realistic, | certainly

vAvN\* | Yeah, yeah,

vOmN\* 6 According to the information that I - I got from -eh- my staff, -eh- my operators=

vAvN\* Um-Hm ?

vOmN\* 6 =was that in fact you - your staff gave us the wrong -eh- wrong data. We got -eh- -eh- a week that was the wrong week number for - for the tax. We got the wrong tax-week number from your - your staff, [ / sec]

vAvN\* 7 Wrong - I have to get that again; wrong | tax -

vOmN\* 7 | We got the wrong tax week number,

vAvN\* 8 Tax week,

vOmN\* 8 Yes, So therefore the - the computer run failed, [2 secs] So you gave us the wrong tax-week number, so it's not our fault really that the - | the - that things haven't -

vAvN\* 9 | What does the -

The tax week number is - is related to ?

vOmN\* 9 You put in the tax week number into the payroll computer program to produce the payroll -eh- and the salaries for that week, and you gave us the wrong week number, so,

vAvN\* 10 Um-hm - But that week number I'm sure -eh- your staff should be able to detect would have been wrong; you have been -eh- conducting business with our company for a - for a period, -eh- without any problems at all, which we must say it has been working perfectly up to now of course, Eh - but -eh- if a problem of only a wrong tax-week number is going to incur such a grave mistake in the system, I would definitely argue that -eh- your - your system is - is -eh- is very very weak to minor faults,

vOmN\* 10 Yes, but how can we solve that for the future, | in that case ?

vAvN\* 11 | We'll have - we'll obviously have to -

to - -eh- / to look into the possible mistakes in the tax-week numbers, I - I had the impression that you actually were supplied with all the tax week numbers, because the numbers are related to certain weeks, which is a part of the program, or - have I got that | wrong ?

vOmN\* 11 | No. No. You - you supply us with the data and the tax week | number, =

vAvN\* | Yes

vOmN\* 11 =and we - according to that date and the tax week number we produce -eh- -eh- the weekly salary, the payroll, That's the case, So that - Okay; you made a=

vAvN\* Um-hum,

vOmN\* 11 =mistake, I made a mistake in this case, | You gave us the wrong tax-week number, =

vAvN\* | Yeah,

vOmN\* 11 =we put it in without reconsider if it was a - the - correct tax-week number | or not, =

vAvN\* | Um-hm,

vOmN\* 11 =but we can solve this for the future by doing a double check -eh- with your - your staff and my staff, so that it would solve this problem for the future, it would be no problem - in future,

- vAvN\* 12 So that is solvable,
- vOmN\* 12 Yes,
- vAvN\* 13 Good, Okay. So we - we basically -eh- well, ends up in a situation you could say where we - we have to consider that the blame is -is basically -
- vOmN\* 13 Fifty fifty.
- vAvN\* 14 -eh- [/ sec] well, divided between the parties, I would - am saying, -eh- and -eh- without knowing too much about the -eh- [/ sec] how the function of the tax-week number is - is working or not, it's -eh- it's very difficult to me at this - at this point to - to sort of -eh- evaluate what effect that actually had to the - to - to the whole -eh- run of the program.
- vOmN\* 14 Yeah, but I think if we make some rules between your staff and my staff, I think=
- vAvN\* Um-Hum
- vOmN\* 14 =we will avoid it with a hundred percent in future. It will not happen - will not happen again.
- vAvN\* 15 Okay, good. So this was - basically, I - I would say probably a - a weak link in the -eh- =
- vOmN\* 15 In the chain, yes.
- vAvN\* 15 =in the chain, that occurred here,
- vOmN\* 16 Yeah. [/ sec]
- vAvN\* 16 Good, I think [2 secs] I - I - I must make the comment that -eh- this - this - this very very little mistake in graving such a big fault in - in - in the system -eh- I - I - I would say that you -eh- you ought to have introduced that type of double checking already before, -eh- rather than running into these for us very grave problems not only in - in terms of practical but also in terms of - of our liability and - and credibility in the -eh- in the trade. But leave - leave that alone; we - eh- we have to look ahead as well, and -eh- if we can agree here now that at least you will take necessary steps to -eh- introduce proper double check systems to avoid this in the future -
- vOmN\* 17 I - I - I suggest we do that together.
- vAvN\* 17 Yeah, yeah okay.
- vOmN\* 18 Let's say we have a meeting next week, or something.
- vAvN\* 18 Good, Let's leave that part of the game, and -eh- maybe get a bit further down to the -eh- the economical aspects of the -eh- of the problem. [2 secs] We have as - as you see in our letter, definitely incurred costs on - on - on this account, and - and as you can see it divides up to - into two categories, which is - is -eh- is basically what we - what we have incurred of cost in house, but -eh- more severe the - the costly effect it had on our - on our clients. Which obviously reflects in - in -eh- reserved rights for covering their costs from - from us as well.
- vOmN\* 19 But you - you have -eh- claims - you had claims before this -eh- thing occurred. You usually had claims from your customers, of course? Every - every company has claims.
- vAvN\* 19 Oh yes, definitely. Yeah, yeah we have that. I mean it's - it's -eh- it's -eh- it's

- relationship in any partnership and working relationship, I mean faults occur and the claims come up, I would -eh-
- vOmN\* 20 What- what -eh- yeah, Your normal claims; what would they be per week ?
- vAvN\* 20 Well, I - I think that for - for - for this issue irrelevant, Eh - in- in terms of - eh- the claims are pretty easily assessed to this occurrence, Because the claims are mentioning delays in respect to that certain day's occurrence, Eh - so we have had pretty bad -eh- possibility to -eh- to assess the exact amount of the claims which occurred from - from this incident, And as you can see in the letter we have -eh- we have -eh- we have spoken to -eh- the various airlines and -eh- they have estimated the -eh- claims to be in the -eh- in the region of twenty thousand dollars, At the maximum, I must say, Taking into account that, of course, as we established, we also has part of this fault, -eh- We are definitely not going to ask you to -eh- to reimburse the full amount, I'll give you that at this stage, but -eh- we would definitely -eh- reserve the rights to have a good part of the amount -eh- reimbursed from your company.
- vOmN\* 21 Yes, [*clears throat quietly*], You estimate it to twenty thousand,
- vAvN\* 21 That's an estimation made on the - on - on the - on the response we have got from the -eh- the various airlines now, yeah, [*2 secs*; then *coughs*] And I would say that - eh- [*1 sec*] probably -eh- a reasonable outcome if you anticipate all claims coming in under negotiation with the airlines could bring the figure down to - to the region of - of - of say fifteen, fifteen thousand dollars, And in the -eh- [*4 secs*] in the -eh- [*1 sec*] well, reflecting the [*1 sec*] the - the occurrence as being -eh- claimed on - on the mishap on the payrolls, we -eh- we definitely are of the opinion that it can be linked direct to that occurrence, So what we are talking about is - is the -eh- the cost of the two thousand dollars which we incurred ourselves, and the -eh- the claim in from the airlines of - of fifteen thousand,
- vOmN\* 22 So that would sum up fifteen plus two, estimated to seventeen thousand; that's the full claim,
- vAvN\* 22 Yeah,
- vOmN\* 23 And the part that I will take here, I would say it would be fifty percent, We split- we split the whole seventeen thousand, Um, It's your fault, my fault, =
- vAvN\* [*softly*] 50 percent ,
- vOmN\* 23 =so we split it to eight thousand five hundred, I will now at this moment pay eight thousand five hundred,
- vAvN\* 23 Eight thousand five hundred, I must say that's probably - that's [*1 sec*; then *clears throat*] That's def- definitely considerably less than - than we had anticipated in - in -eh- in this -eh- in this instance, because we - we must - we must say that the airlines are still -eh- have still not submitted their total - their total claim amounts to us, and - and -eh- we -eh- we could stand the risk that the- the amount could increase to the anticipated twenty thousand, But -eh- Would it be possible maybe to - to -eh- I mean as I said before we - we will definitely agree that - that you're not going to take the full - full share of this - this cost, but -eh- on the other hand we feel that the - the - the rather small misinformation from our side -eh- had such grave influence on - on the payrolls that -eh- your company should have anticipated that occurrence and -eh- thereby should accept the bigger part of the - the claim, definitely, I was wondering if we could - if we could - could settle on - on that amount and maybe -eh- keep - an - an -eh- keep an additional possibility for -eh- a possible claim on future claims received from airlines up to maybe [*2 secs*] another two thousand,



- vOmN\* 24 No - no, I - I cannot agree on that because -eh- [/ sec] I don't know if we are correct in calculating future cost according to what happened. Eh -
- vAvN\* 24 So you mean it's - it's difficult to -
- vOmN\* 25 This is the one mistake; it occurs one time, and I think we have to settle this one and look into the future, because we [/ sec] perhaps we have some -eh- future project that we can discuss so we have to make a deal and -eh- look - look in the future,
- vAvN\* um-hum, um-hum,
- vAvN\* 26 So you basically want to -eh- well, conclude the case today, close the case, and -eh-
- vOmN\* 26 Look into the future,
- vAvN\* 27 Look into the future as such, Okay, [clears throat] That obviously means that - that we - we basically are left with a risk of -of possible claim from - from the airlines, -eh- and then again taking into account that we have already paid half of the - the claims present at the moment, -eh- I would say that our - our valued risk is - is -eh- slightly higher than your participation - participation in the costs, So I would - I would - I would like actually to -eh- if possible to - to maybe increase your share in the cost saving to offset our anticipated risk in the future claimants -eh- by another two thousand dollars, so we could arrive at - at ten thousand five hundred as -eh- a base, a share from your side, and -eh- [clears throat] we will then -eh- anticipate with the -eh- with the remain - remaining six thousand five hundred, [4 secs] Bearing in mind that our six thousand five hundred is still -eh- -eh- the value we know today but could - could increase depending on - on - on the airlines and [2 secs] future claimants on this one. You must remember as well that not alone have we incurred these costs and claims, but our - our [clears throat] our working relationships and our -eh- dealings in - in the normal day have gone down slightly after this mishap, and it will probably take us another couple of - of weeks to -eh- get back into full swing again, because there were some deviations when liners heard that there was problems in the airport. And this claimant we have completely -eh- neglected in this case, [3 secs]
- vOmN\* 27 Well, You know that's a big amount of money for us to pay. Ten thousand five hundred at -eh- It depends also on the future of course, on future projects.
- vAvN\* 28 For certain, for certain, I mean -eh- I must -eh- I must - I must say that - and I mentioned that earlier as well, that -eh- we are - we are very satisfied with your work and -eh- we -eh- we feel that the cooperation with you is - is - is working very - very well, and -eh- that is definitely also the reason why we are sitting here today to try to solve this problem in a - in a proper manner, rather than -eh- start a technique of threatening each other with - with -eh- with all sorts of things. Our anticipation is that the five year contract which we have -eh- should run -eh- for the five years and -eh- should hopefully end with a renegotiation of terms for the continued cooperation, [2 secs]
- vOmN\* 28 Yes, [3 secs]
- vAvN\* 29 But nevertheless of course we must -eh- take into consideration the - the actual costs we have; the indirect costs of this -eh- we have chosen to neglect because obviously we are part of the - the fault in this case, as well.
- vOmN\* 29 Do you think this would be a - a correct time to discuss our future projects today as well ?
- vAvN\* 30 Eh - I would - I would rather -eh- I would rather [/ sec] settle this claim as a separate part of our -eh- cooperation, still mentioning that the settlement of this



is not going to offset our negotia- our - our - our working relationship -eh- to any degree that will - that will give any negative effect to you, Of course depending on we find a reasonable solution today on - on - on the problem, Eh - Negotiations on future produc- projects -eh- we must definately have, but -eh- I suggest that we -eh- we took that discussion in next week's meeting where we are going to resolve the problems with the double check we have,

vOmN\* 30 Good, -eh- My last proposal then is -eh- nine thousand five hundred,

vAvN\* 31 Is nine thousand five hundred, | And - and then you - does that exclude any -eh-  
vOmN\* | Yes

vOmN\* 31 That's a fixed - that's a fixed price,

vAvN\* 32 Fixed price, and that excludes any future -eh- -eh- claimant we - we might have, Um-hm,,Um-hm, [2 secs] Well, it's -eh- what will you say [name vAvO\*]? Is that - eh- [2 secs] I think we have been through the -eh- the problems with - with -eh- with the credibility and - and the - the - the indirect costs that we incurred on here, but -eh- all in all, I -eh- I would say that - that -eh- it - it- must be considered a - a reasonable solution to our company,

vAvO\* 1 And we appreciate the - My colleague is -eh- -eh- accepting to - to - to -eh- take a bit more than fifty percent of the - the problem,

vAvN\* 33 That's the basic outcome of it as well, I would say, and - and - and at least we have a - we -we have a - a reasonable share in - in- in the percentages there as well, So let's agree on a nine thousand | five hundred dollar offset on the deal and -eh=  
vOmN\* | nine thousand five hundred

vOmN\* 32 Agreed,

vAvN\* 33 =we can consider ourselves satisfied, Yeah ?

vOmN\* 33 Right,

vAvN\* 34 Very good, And then I suggest we -eh- we take up the -eh- the future programmes together with a solution of the present problem next week,

vOmN\* 34 So you don't want to discuss the future now ?

vAvN\* 35 Well, I think -eh- I think the future as I said to you is that - that -eh- -eh- we have a future together as I said, the contract is running for five - five years, and -eh- our intention is that the contract should be -eh- [1 sec] should- should run its term out and -eh- it should be renegotiated when the contract runs out, Did you have any specific -eh- | things in mind ?

vOmN\* 35 | Yes, -eh- we've been - we were discussing - we have discussed with you, your staff, and -eh- to computerise more things, -eh- from accounts, -eh- costing, traffic scheduling, personal records, -eh- things like that, [3 secs]  
Now -

vAvN\* 36 | In - in terms you had practical discussions with - | with the staff, okay, | Okay, =  
vOmN\* | Yes, | Um-hum

vAvN\* 36 =and -eh- you are of the opinion that we might have -eh- have a need and a- and a - [2 secs] advance in - in - in getting into these sorts of projects as | well,  
vOmN\* | Yes,

vAvN\* 37 Um-Hum, Um-Hum, I think it's definitely worth looking into, I mean -eh- you are

the -eh- you're the experts in terms of - of - of putting this into a - a- more unique and more advanced form of data processing, and -eh- we would definitely take advantage of consultants on that,

- vOmN\* 36 So -eh- what do you want me do ? I can offer you -eh- an investiga- investigation here, and let's say -eh- I can offer you an investigation around - it'll=
- vAvN\* Um-hum
- vOmN\* 36 =cost you around five thousand dollars to investigate your future computerisation in terms of accounts, costing, traffic schedule, personal, planning, things like that,=
- vAvN\* Um-Hum,
- vOmN\* 36 =so if -eh- you're willing to - to have this investigation, I offer that for five thousand, and -eh- you will have then -eh- a good ground to discuss your future comp- computerisation with us,
- vAvN\* 38 I would -eh- I would - I would -eh- I would say that it's fairly new to me -eh- that angle into -eh- into -eh- widening our cooperation and -eh- I would actually prefer that I -eh- I had a talk with my colleagues first, -eh- and -eh- in the interim -eh- til next week, try to evaluate myself the possibilities -eh- within such an investigation, because I would think that I would need, or I will definitely need a - a much better insight in- into what -eh- departments and -eh- what manual -eh- stations could be automated,
- vAvO\* 2 This sounds quite reasonable; I guess we have to refer to you -eh- next week,
- vAvN\* 39 So I would - would like to - to suggest that we -eh- we use the coming week to - to assess our situation and prepare ourselves for a negotiation on the investigation, - eh- but I will definitely not -eh- leave out the possibility that we -eh- we could conclude an agreement on - on an investigation into it,
- vOmN\* 37 Good, So ?
- vAvN\* 40 Okay ?
- vOmN\* 38 Right,
- vAvN\* 41 Very good,
- vOmN\* 39 See you next week, Thank you,
- vAvN\* 42 Yep, Bye, Bye,
- vAvO\* 3 Bye,

E N D

AquaScot, a firm of Scottish spring water producers, is expanding its operations internationally following its merger with a major spirits company. After some false starts it has developed an international marketing image for the product, and is reviewing its distribution arrangements with agencies. Presently it distributes through *ad hoc* arrangements, but the sales achieved have not reached the volumes they believe are possible.

One such unsatisfactory performance is presently under discussion with Cobber Pty., a distributor who is strongly represented in most states in Australia but not in New South Wales, which has the largest population. AquaScot has invited Cobber to accept formal terms to become an exclusive distributor in all states except New South Wales.

While Cobber is willing to consider such a proposition it has expressed an unwillingness to continue with the high Cost, Insurance and Freight (CIF) price it is charged, nor is it willing to accept the exclusion of NSW from the offered territory and the minimum annual sales targets AquaScot has set. If Cobber fails to reach its minimum sales targets, AquaScot would have the option of either terminating the whole agreement, or of unilaterally letting other distributors into Cobber's designated territory.

AquaScot proposes that Cobber must operate on a guaranteed minimum annual sales target of 100,000 cases in Year 1, doubling each year, to Year 4 when sales should reach 800,000. Total imported water sales in Australia are one million cases a year, with a total market, including domestic brands, of 5 million a year. Spring water sales are rising.

At present AquaScot add a margin of 20 per cent on top of the ex-UK price of £24 per case, plus 20 per cent for shipping and insurance to Australia, giving a CIF price of £34.56, to which Cobber adds its own mark-up of 30 per cent. AquaScot wish to ship six months stock to Australia, invoiced on despatch from Scotland, and rising in line with the annual sales targets (i.e. not based on the actual sales made each year by Cobber).

These topics are to be negotiated at their next meeting.

## AGENCY

## AQUASCOT's CONFIDENTIAL BRIEF

1. While you believe that Cobber are capable of servicing your distribution needs in the Australian market, you are not sure that they are fully committed to doing so on an exclusive basis. They also distribute a wide range of bottled drinks, including spring water, spirits and beer, and are apt to regard your product as an 'extra' on their lists rather than having the potential to become a major up-market prestige product competing with Perrier. Present sales are 30,000 cases a year through Cobber, with another 25,000 through six distributors throughout Australia, plus 20,000 cases a year through Kangarouge Pty. in New South Wales.

2. You are prepared to support a strong marketing effort of up to £2 per case in Australia to give your product an up-market image, initially as an investment, and subsequently, when sales reach sufficient volume, out of the increased sales revenue (perhaps partly funded by Cobber). You must have the distributorship in place and operating before committing resources to marketing, as any disorder in distribution could adversely affect the image you wish to develop. AquaScot has a natural appeal to Scotch drinkers and it could also be developed as a product to catch the healthy lifestyles market in Australia.

3. You are prepared to offer Cobber an exclusive agency in all states except New South Wales. You plan to sign a deal with Kangarouge Pty., who could, if Cobber fails to perform within the next four years, take over as your sole Australian distributor. However, you are not absolutely precluded from awarding an all Australian agency to Cobber *if the terms are right*. The annual target in New South Wales for exclusive distribution rights would begin at 40,000 cases and then double at the end of Year 1.

4. You want Australian retail prices to be enhanced by 25 per cent soon to help the product achieve prime positioning in this growing market. Your ex-UK profit per case is £8 (inclusive of the £4.80 mark-up). You may have to modify your demands on stocks and invoicing on despatch.

5. Your targets for Cobber are:

Year 1	Year 2	Year 3	Year 4
100,000	200,000	400,000	800,000

Total Australian sales are presently 75,000. Cobber sells AquaScot to Australian superstores for around £45 per case and you wish it to raise its price to around £56 a case. How the additional margin is shared is a matter for discussion.

## AGENCY

## COBBER's CONFIDENTIAL BRIEF

1. AquaScot is one of the leading (30,000 cases a year) imported bottled spring waters you distribute (two others sell 15,000 and 7,000 cases each). It has a natural appeal to Scotch drinkers (and ex-patriate Scots) and to the growing health conscious market, but requires a stronger marketing effort to widen its appeal. It accounts for 2 per cent of your total turnover which includes branded spirits and beers (local and imported). If AquaScot were to make a major marketing effort you are prepared to consider an exclusive distributorship agreement, but you want to extend the offered territory to New South Wales. Your main rival in New South Wales, Kangarouge Pty., according to trade sources, presently distributes between 15-20,000 cases of AquaScot a year. You are keen to take over distribution there (where presently you are weakly represented) to block off their growth and to weaken their potential as a threat to you elsewhere.

2. The annual sales targets proposed by AquaScot in your view are too demanding. You propose to start at 50,000 cases a year and work toward 800,000 cases in five years. If the marketing was right, you estimate that total (all brands) imported water sales could reach 1,250,000 cases within a year, and double every two years.

3. Your main concern is the quality of AquaScot's commitment to marketing, given your experience of them in the past. You are also concerned at their ability to line up a deal with Kangarouge, who could become the sole Australian distributor if AquaScot chose to implement the termination and reversion clauses if you fail to meet their sales targets. Your interests are in loosening these options and in restricting their applicability.

4. AquaScot's demands for you to hold six months target, not sales, stocks and pay for them on despatch by sea from Scotland is extremely onerous, and you would want major concessions in return for accepting anything like this. You prefer complete control of Australian pricing policy as you use discounts on spring water products in various promotions of high-margin drinks. This practice, of course, conflicts with the up-market advertising strategy proposed by AquaScot.

5. You prefer to get the ex-UK price reduced from £24 per case to about £20 to improve your margins. You do not believe local prices could be raised by much, if at all, unless and until AquaScot achieves prime position in Australia. The phasing of a price-raising strategy requires discussion, as well as the funding of its costs if it takes longer than planned to have its desired effects.

## AGENCY: Issues

PARTIES: AquaScot mineral water (Buyers); Cobber distributors (Sellers)

BACKGROUND :re distributorship of Scottish mineral water in Australia

- (1) sales (all brands) rising; currently 1M cases p.a. imported, 4M local  
 (2) AquaScot market share too low; appeals to Scots but need stronger marketing  
 (3) AquaScot company expanding because of merger  
 (4) Cobber active everywhere in Australia except New South Wales

	General Brief	AquaScot's Private Brief	Cobber's Private Brief
EXCLUSIVE DISTRIB'SHIP	- tied to minimum sales p.a. - offered to Cb without NSW - Cb only interested with NSW	- Cb good, but may have too many other products - Aq plan to offer agency minus NSW to Cb - keeping Kangarouge on tap in case Cb fails	- want to use Aq to get into NSW - Aq agency desirable only if Aq makes a strong commitment to marketing
NSW DISTRIB'SHIP	- Cb not active in NSW yet - Cb wants to get into NSW	- Aq plan NSW deal with Kangarouge, but can offer it to Cb if they make concessions - NSW annual target 40K cases in Yr 1	- Cb want opening in NSW badly
RIVAL DISTRIBUTORS		- Aq using other distributors outside NSW now - plan to use Kangarouge in NSW, and to give them all-Oz in 4 yrs if Cb fall short	- present Aq sales in NSW 15-20K cases - Cb want to block this trade - Cb worry about Aq/Kangarouge connection
TARGETS; ANNUAL SALES	- proposed 100K cases p.a. Yr 1 doubling yearly to 800K Yr 4 - Cb against tying targets/stock	- extra NSW target 40K cases Yr 1, doubling - can apply contract sanctions if targets not met	- too high; want 50K cases p.a. Yr 1 rising to 800K cases in FIVE years - with mkt. imports could reach 1.25 M cases Yr 1
STOCK LEVELS TO BE HELD	- Aq want to ship 6 mos stock - Aq wants stock levels to rise with targets, not actual sales	- Aq may have to modify their demands	- Aq demands 6 mos stock, tied to targets - TOO HIGH; Cb needs major concessions before agreeing with this
PRICE EX UK	- CIF = \$69.12 (i.e. UK price + 20% + 20 % freight/insc) - Cb says this is too high	- Aq make profit of \$16 per case, incl \$9.60 markup at present	- Cb want reduction to \$40 per case on basic (pre-shipping) cost
TERMS OF PAYMENT	- CIF; Cb doesn't like this - Aq invoices on dispatch from UK	- Aq may have to change invoicing policy	- Cb don't like CIF, & payment on despatch
COMMITMENT TO MKTING		- will support campaign up to \$4 per case, alone at 1st, then joint with Cb - decide agency 1st, then marketing detail	- Needs strong marketing effort - Aq's involvement crucial to success - Aq don't seem sufficiently committed
PRODUCT IMAGE		- appeals to Scotch drinkers & to the health-conscious	- appeals to Scotch whisky drinkers
PRESENT MKT SHARE	- total mkt = 5M cases p.a. - imports 1M; local 4 M	- Aq sell 75K cases p.a. (30K thru Cb; 25K thru other agents; 20K in NSW)	- only 2% of Cb's business (rest better earners) - Cb sells 30K cases p.a.
MARKUPS & MARGINS	- Aq adds 20% + 20% to UK price - to outlets, Cb add 30% to CIF	- Aq to discuss how margin on proposed price rise will be divided	
LOCAL PRICE LEVELS	- present wholesale \$89.85 a case (i.e. CIF + Cb's 30%)	- Aq want to add 25% to get prime position (i.e. \$ 112 per case)	- can't raise wholesale until in Mkt Prime position - phasing/funding of rise to be discussed
LOCAL PRICE CONTROL			- Cb uses discounts on Aq to move its other lines - want to retain control over local price
CONTRACT LENGTH; TERMINATION OR REVISION	- Only ad hoc arrangements now - on new contract, if Cb fails to meet targets, Aq can cancel etc.	May give agency to Kangarouge in 4 years' time if Cb fails	- must get 'termination or revision' clauses relaxed



## AGENCY: OUTCOMES

	Hewlett	Pieda	Transtema	Volvo
EXCLUSIVE DISTRIB'SHIP	Cb get	Cb get	Cb get	Cb get
NSW DISTRIB'SHIP	Cb get	Cb get	Cb get	Cb get
RIVAL DISTRIBUTORS	excluded	excluded	excluded	excluded
TARGETS; ANNUAL SALES	rising to 8 or 9K cases by Yr 5 (not firmed up)	Yr 1 150K cases; Yr 2, 300K; Yr 3 600K; Yr 4 1.4M & Cb guarantee to buy in if nec.	Yr 1 140K cases; doubling annually	Yr 1 75K cases; rising to 800K in Yr FIVE
STOCK LEVELS TO BE HELD	4 months' (nb; tied to sales ?)	2 months' (nb; tied to sales ?)	6 mos stock, tied to targets	1 mos stock, tied to targets
PRICE EX UK	Basic \$ 48 per case; Incl freight/insc (CIF) \$69.12	Basic \$58 Yrs 1 & 2; \$ 60 Yr 3; \$63 Yr 4	Basic \$ 48 per case; CIF add 15% = \$ 55.20	Basic \$ 45 per case
TERMS OF PAYMENT	CIF, with payment on arrival in OZ	FOB, (Cb arranges shipping/insc); payment on arrival in OZ	CIF	Cb arranges freight/insc, payment on arrival in OZ by letter of credit
COMMITMENT TO MKTING	Cb responsible; but Aq give \$ 2 per case	Cb fully responsible	Cb responsible; Aq give \$ 3 per case for 1st 6 mos.; then review	Aq responsible (details not worked out)
PRODUCT IMAGE	n/a	n/a	n/a	n/a
PRESENT MKT POSITION	n/a	n/a	n/a	n/a
MARKUPS & MARGINS	not bargained for	not bargained for	Aq down 5%; Cb down 5%; split increased price profit Cb 25%, Aq 75% (for mkting)	not bargained for
LOCAL PRICE LEVELS	[Aq wanted 25% to \$112; but Cb said no]	no rise until Year 3	Up by Yr 2 to \$ 103.50	no rise
LOCAL PRICE CONTROL	not bargained for	not bargained for, but implied Cb control (see pCbN turn 106)	not bargained for	not bargained for
CONTRACT LENGTH; TERMINATION OR REVISION	not mentioned	4-year contract, no penalties; first option after that	4 year contract; no penalty clause	length not stipulated; can be terminated or revised

## AGENCY: Topic Tally

		Hewlett		Pieda		Transtema		Volvo	
		Aq	Cb	Aq	Cb	Aq	Cb	Aq	Cb
EXCLUSIVE DISTRIB'SHIP	I	1	0	1	0	1	0	1	0
	R	2	4	3	3	0	2	0	0
	F	8	6	0	2	3	5	0	3
	T	11	10	4	5	4	7	1	3
NSW DISTRIB'SHIP	I	1	0	0	1	1	0	1	0
	R	2	3	2	5	1	1	0	2
	F	4	3	9	16	5	7	6	3
	T	7	6	11	22	7	8	7	5
RIVAL DISTRIBUTORS	I	0	1	0	1	1	0	1	0
	R	1	1	2	3	1	1	2	0
	F	3	1	4	3	2	0	2	1
	T	4	3	6	7	4	1	5	1
TARGETS; ANNUAL SALES	I	1	0	1	0	1	0	1	0
	R	3	1	5	4	8	3	7	1
	F	34	22	33	36	9	10	16	21
	T	38	23	39	40	18	13	24	22
STOCK LEVELS TO BE HELD	I	0	1	0	1	0	1	0	1
	R	0	2	0	1	1	1	3	2
	F	12	9	5	8	9	10	7	10
	T	12	12	5	10	10	12	10	13
PRICE EX UK	I	0	1	0	1	1	0	0	1
	R	2	2	1	4	2	2	3	4
	F	23	15	25	29	5	8	7	7
	T	25	18	26	34	8	10	10	12
TERMS OF PAYMENT	I	0	1	0	1	0	1	0	1
	R	3	0	0	5	2	1	2	3
	F	5	3	4	9	1	0	5	7
	T	8	4	4	15	3	2	7	11
COMMITMENT TO MKTING	I	1	0	0	1	0	1	1	0
	R	1	1	2	3	0	2	5	3
	F	16	7	5	6	6	5	4	5
	T	18	8	7	10	6	8	10	8
PRODUCT IMAGE	I	0	1	0	1	0	1	1	0
	R	1	0	1	0	1	3	0	0
	F	1	1	0	1	0	0	1	2
	T	2	2	1	2	1	4	2	2
PRESENT MKT POSITION	I	1	0	1	0	1	0	1	0
	R	0	3	2	4	2	3	1	3
	F	2	3	4	3	1	5	3	2
	T	3	6	7	7	4	8	5	5
MARKUPS & MARGINS	I	0	1	1	0	1	0	0	1
	R	1	0	0	2	3	1	2	1
	F	3	0	4	2	7	6	2	3
	T	4	1	5	4	11	7	4	5
LOCAL PRICE LEVELS	I	0	1	1	0	0	1	1	0
	R	1	1	1	3	3	0	2	1
	F	12	5	5	3	8	6	1	2
	T	13	7	7	6	11	7	4	3
LOCAL PRICE CONTROL	I			0	1	0	1	0	1
	R	-		1	0	0	0	0	0
	F	-		0	0	0	1	0	0
	T			1	1	0	2	0	1
CONTRACT LENGTH; TERMINATION OR REVISION	I			0	1	1	0	1	0
	R			0	1	0	0	0	0
	F			4	2	3	6	1	1
	T			4	4	4	6	2	1



AGENCY: Hewlett. Topic map (topic X turn)

	EXCV DIST	NSW DIST	RIV ALS	TRGT P, A,	STCK HELD	COST EXUK	TRMS PYMT	MKTG PUSH	IMGE	MKT POST	MARK UPS	PRCE LEVL	PRCE CTRL	CON- TRCT
prop	Aq2													
prop	Cb	Aq3		Aq3										
topic shft			Cb2	Cb						Aq4				
				=Aq4										
				Cb										
info		Cb4		Aq						Cb4				
restate prop				Cb										
qualif. reject		Cb5		Aq										
clarify Q				Cb										
prop				Aq										
confirm chk				Cb6										
prop				Aq										
confirm chk				Cb7										
				Aq										
				cb										
				Cb										
				Aq										
restate prop				Cb9										
reject				Aq										
				Cb										
			Aq12	aq										
				Aq										
restate prop				Aq										
info				Cb										
try to clarify		Aq15		Aq										
				aq										
				Aq										
still unclear				Cb										
				cb										
				Cb										
clarify prop		aq5		aq										
confirm Q				Cb										
re-state prop				aq										
				cb										
				aq										
topic shft										Aq17				
										aq				
										cb				
topic shft				Aq18										
				Cb										
meta lg				Aq										
				cb										
				Aq										
				cb										
start prop				Cb										
				aq										
interrupt				Aq										
info; topic shft	Cb16	Cb16		Cb										
shft;info				Aq						Aq22				
				aq										
				Cb										
				aq										
re-state prop				Aq										
		aq12												
		Aq												
				cb11										
				Aq										
topic shft		Cb17		Cb										
signal+prop		Aq		Aq										
clarif Q				Cb										
restate prop				Aq										
		aq12		aq										
	Aq29	Aq												

restate prop	Cb	Cb	Aq30			
			aq			
clarify			cb			
			aq			
topic shift		Cb20	Aq			
restate prop			Aq32			
			aq			
			Aq			
			aq			
			Aq			
restate prop	aq17	aq17	aq			
confirm Q	Cb					
confirm	aq					
confirm	Aq					
repeat confirm Q	cb					
confirm	aq					
		Aq36	Aq36			
clarif Q						
clarify		cb15	Aq			
		aq				
summarise prop	Cb22	Cb22	Cb22			
		Aq	Aq			
		Cb	Cb			
topic shift				Cb23	Cb23	Cb23 Cb23
				aq		
prop				Cb		
confirm Q				aq		
confirm				Cb		
confirm				Aq	Aq41	
ackn				cb	cb	
ackn				Cb	Cb	
topic shift						Aq42
prop				Cb27		
confirm Q				Aq		
				aq		
confirm					Cb28	
					aq	
info					Cb	
signal	Aq44			Aq44		
			Cb30	Cb	Cb30	
info	=Cb30		Cb	=Cb30		
open Q			Aq			
			Cb			
info			cb			
s/w topic shift		Aq46	Aq			cb18
			cb			
			Aq			
			cb			
			Aq			
			aq			
			Aq			
topic shift				Cb32		
				Aq		
open Q				Cb33		
				Aq		
				Cb		
invite prop				Aq		
				Cb		
reinvites prop				Aq		
seeks prop				Cb		
prop				Aq		
rejects				Cb		
starts prop				Aq		
interrupt; prop				Cb		
confirm Q				Aq		
confirm				Cb		
reject; ctr-prop				Aq		
prop; interrupt				Cb	Cb40	
				Aq		
				Cb		

ctr prop		Aq59	Aq	Aq59	
clarify Q			Cb43		
clarify			Aq		
confirm Q			cb		
confirm			Aq		
restate prop		aq28	aq	aq28	
		aq	aq	aq	
topic shift			Cb		Cb44
			Aq		
prop			Cb		Cb45
aside			aq		aq
topic shift				Aq64	Cb46
re-shift				Aq65	Cb47
topic shift			Cb48	Cb	
			Aq		
			Cb		
			Aq		
restate prop					
	Cb50			Cb50	
prop				Aq	
clarific Q				Cb	
meta				Aq	
confirm chq				aq	
expand prop				Aq	
vague agree			Aq70	Cb	
lg clarif			Cb		
				cb	
				=Cb	
confirm chk			Aq71	Aq	
confirm				Cb	
				cb	
				Aq	
assume agr'mt				Cb	Cb54
					Aq
					Cb
open Q			Aq74	Aq74	Aq
					Cb
revive prop Aq59		aq31	Aq	aq31	
		Aq	Cb	Cb	
reject					Cb57
				Aq76	
				Cb	
long pause			Cb	Aq	
ctr prop		Cb59	Aq	Cb	
prop		Aq	Aq	Aq78	Aq78
				aq	
				Aq	
summary prop		aq35	aq35	aq35	aq
		-----			
revive prop		aq37	Aq	aq37	Aq
		Aq	Aq	Aq	Aq
		aq	aq	aq	aq
qualif. agreem't	Cb61	Cb61	Cb61	Cb61	Cb61
clarify	Aq				
	aq	aq39			
	Aq				
joking	=aq				
admit mistake	Cb62	Aq83			
start restate prop			Aq84	Aq84	
			aq	aq	
confirm agreem't		Aq85		Aq	
					aq41
					Aq
					aq
confirm chk				Aq87	
clarif chk					Cb63
clarif					Aq
clarif Q					Cb
clarify					aq
					Aq
					aq
pause; topic shift					Aq90
signal tie; prop					aq
		[aq45	aq45	aq45	aq45]
					Aq91
					aq
					Aq92

aside to Obs  
renominate topic

Cb65

clarify Q  
clarify

prop

after pause

clarif Q  
confirm  
cross-purposes  
deny  
explain

resolution  
ackn  
revive topic  
word play

word play  
prop

revive prop  
reject

open Q  
answ

topic shift  
[+ 4 turns]

Cb69

aq53

Aq  
cb  
aq  
Cb  
aq

aq59

Aq100

aq48  
Aq  
Cb  
Aq  
Cb  
Aq  
aq47  
Aq  
aq  
Aq  
aq  
Aq  
aq  
cb  
Cb  
cb  
Aq

Aq101

Aq103 Aq103

aq  
Cb  
aq

Aq104

aq  
Cb

=Aq104

=Cb

Aq  
cb

aq58

Cb73

[no resolution; decide to 're-discuss' later]

**CASE TWO: Agency**  
**Room: Hewlett**

AquaScot hAqN\* = Supplier, J. P. (Swedish)  
 hAqO\* = Observer, S. C. (Swedish)

Cobbers hCbN\* = Distributor, J. V. (French)  
 hCbO\* = Observer, B. F. (Swedish)

\* = non-native speaker of English  
 number after the speaker's alias = turn number for that speaker

- 
- hAqN\* 1 Well, maybe we should go right to the business talk; [laughter]
- hCbN\* 1 Right !
- hAqN\* 2 Right. [ / sec] We would like to use you as our agent in Australia,  
 hCbN\* Um-hum,
- hAqO\* 1 [whispered aside to hAqN\*]
- hAqN\* 3 And -eh- Excluding the - the - and new- New South Wales, / And we would like you to sell a hundred thousand cases of this spring - spring water,
- hCbN\* 2 Um-hum, But, say - why why -eh- do you want to - to all - what do you have in mind -eh- when excluding us from - from this -eh- huge territory, and I should say that the most important territory in - in A- in Australia ? This is where Sydney is -eh- I guess two-thirds the -eh- of the -eh- of your product is -is -is- sold there by our unfortunate competitor, or fortunate competitor. And -eh- I guess we -eh- okay, we have to discuss that, because -eh- it's -eh- it's hard for us to - to - to be=
- hAqN\* Sure,  
 hCbN\* 2 =excluded from this -eh- major -eh- territory of Australia, We - we did well so far, as you can see and -eh- we would like to continue -eh- and to push for=
- hAqN\* Yes, we -  
 hCbN\* 2 =for - for some improvement in - in the -eh- in this strategic territory,
- hAqN\* 4 Yeah, You have a present sales of thirty thousand today, Cases, And -eh- =  
 hCbN\* Um-hum  
 hAqN\* 4 =there is a quite change from thirty thousand to a hundred thousand,
- hCbN\* 3 Yeah ?
- hAqN\* 5 I think that would - that would be a - a - a - a step in the right direction,=  
 hCbN\* Yeah,  
 hAqN\* 5 =that will you - be a better profit, a better margin for you to attempt,
- hCbN\* 4 Yeah, but how can you - can you expect, how can you expect -eh- -eh- for us to - to sell so many - so many cases while being -eh- while being excluded from this -eh- once again key - key territories ? This - this will be -eh- quite simply -eh- impossible, We - we - we want to push and sell your product; I - I guess it - it's a - it's a good product and very appreciated by the -eh- people over there on - on the Scot -eh- the expatriate, I should say, but -eh- -eh- we - we need - we need means you see to - to reach this objective, We - we -eh- okay, we can re-discuss afterwards the - the - the amount of - of -eh- cases to sell, but -eh- first, I guess the - the - the - right thing is to give us the means to reach this -eh- to

obtain this - to reach this objective.

- hAqN\* 6 If I understand you right you are saying that you think that a hundred thousand is not possible to sell.
- hCbN\* 5 Eh - it's in a way -eh- on the outside of the -eh- picture, -eh- I mean from one year to the other, -eh- I guess if once again we obtain the full representation or full coverage of - of this country, we - we should be able to - to reach this figure -eh- quite rapidly, but -eh- definitely I guess not in one year time, you see ?
- hAqN\* 7 Um-hum, um-hum, But you think - but you think that you can really come up to hundred thousand, but when ?
- hCbN\* 6 Eh - [5 secs; writing] Let's say -eh- [6 secs] we - we can work towards eight thousand- eight hundred thousand say in five years. In five years.
- hAqN\* 8 Eight hundred thousand in five years.
- hCbN\* 7 I - I should start with fifty - fifty -eh- thousand cases.
- hAqN\* 9 Fifty thousand cases -
- hCbO\* 1 First year.
- hCbN\* 8 First year, Um-hum, And increase -eh- to reach -eh- Work - work hard on -eh- We have the - the - we - we have -eh- right people - the right people to - to - to reach this objective on increase - huge increase, but -eh- [3 secs] [aside to hCbO\*] Uh ? hm-hm-hm.
- hAqN\* 10 And that means -
- hCbN\* 9 There is - There is a - According to our marketing people there is a good prospect - there are good prospects of -eh- of an increase, and this is why -eh- I tell - I tell you say eight - nine hundred thousand in - in five years' time.
- hAqN\* 11 Yeah, But that gives us a very difficult -eh- problem, because we are using - that means that we have to use another distributors as well then, because fifty thousand is - is much below our objective.
- hCbN\* 10 Um-hum,
- hAqO\* 2 We really have a higher target.
- hAqN\* 12 Higher target, and if you don't can - if you can't meet that higher target we have to go to others as well then, to combine the effort, to reach the the hundred thousand.
- hAqO\* 3 Yeah.
- hAqN\* 13 Hum ? [whispered conferences] So a hundred thousand is very essential for us that we can reach.
- hCbN\* Um-hum, [4 secs] [laughter]
- hAqN\* 14 Time out ! Eh - I don't -
- hCbO\* 2 Eh - I think we - you haven't calculated -eh- correctly on -eh- the Australian market. So I think you will have to [1 sec]
- hAqN\* 15 But I mean we're talking about a hundred thousand excluding New South Wales, eh ?



hAqO\* 4 Yes, Yes,

hAqN\* 16 I don't know what information you have there, I mean this is off the record=

hCbO\* 3 Yes -

hAqN\* 16 =yes, and we are talking about fifty thousand with South Wales,

hCbN\* 11 Yeah, See -

hCbO\* 4 That's - Fifty thousand with and with South Wales; that's - that's our -  
because without South Wales it's - it's only -

hCbN\* 12 It's really -

hAqO\* 5 Our target for the whole of Australia is one hundred forty thousand cases for the first year,

hCbN\* 13 How many ?

hAqO\* 6 Hundred and forty thousand,

hCbO\* 5 It sounds very optimistic, you know,

hAqO\* 7 I think it's quite realistic, [laughter]

hAqN\* 17 Ah, you know this is a good product,

hAqO\* 8 I've been in Australia many many times and -eh- they  
drink -eh- spring water like hell, [laughter]

hCbO\* 6 Especially Scotch, [laughter]

hAqN\* 18 So, I mean that seems that we are apart from each other as far as possible; fifty thousand compared to a hundred forty thousand,

hCbN\* 14 Yeah,

hAqN\* 19 [sighs]

hCbO\* 7 Well, but everything is negotiable, so we're -

hAqN\* 20 Can it be negotiable with - with these figures ?

hCbO\* 8 Eh - We have to try reach each - each other, I suppose,

hCbN\* 15 Well, if - if we would offer [6 secs; writing]

hAqO\* 9 -eh- If your calculations,

hAqN\* 21 But fifty thousand -- Excuse me,

hCbN\* 16 eh- eh- eh- eh- The - The - The key question; -eh- you -  
you - on one side we - we- request to get the sole representation in - in Australia,  
on the other side you propose - you counterpropose -eh- an amount of cases to sol-  
to sell, Excluding this - this -eh- territory, Right ? [2 secs] I guess - I guess  
you - you request -eh- from us a nice -eh- increase on - on big efforts to - to - to  
reach the objective, but we are quite prepared to do - to do that, and we -eh- we -

eh- have the right people to - to - to - do that, but we - we definitely need to - to - to get the -eh- the -eh- key or the strategic territory in Australia, to reach that.

hAqN\* 22 But you are today selling thirty thousand cases, excluding NSW, And you say=  
hCbN\* Um-hum  
hAqN\* 22 =your figure says fifty for the whole Australia,

hAqO\* 10 Yeah, that's pretty low., [laughter]

hCbO\* 9 Maybe we could - could -eh-

hAqO\* 11 Come on guys, show us the right figures, [laughter]

hAqN\* 23 Well, we believe, we believe - I mean we have done lots of research in this area, we believe you will be able to sell a hundred thousand,

hAqO\* 12 Excluding N.S.W.,

hAqN\* 24 Excluding New South Wales,

hCbO\* 10 Maybe we could - we could - [break for adjournment]

# B R E A K

hAqN\* 25 Okay, where were we when we -

hCbO\* 11 Yeah, we had some confusion regarding figures,

hAqN\* 26 Yeah, the figures, Have we - re- checked the figures ?

hCbN\* 17 Now this is -eh- This is -eh- more  
clear now, The - the - the [laughter] The - the - the question which is=

hAqO\* That's good,

hCbN\* 17 =still pending is -eh- What I would like to know is why do you are not willing to -  
eh- to -eh- give us the representation of -eh- the Sidney -eh- territory ? I mean, I  
guess - I guess if - if we get this -eh- representation, we shall be able to -eh- how  
can I say ? Reach your objective or - =

hAqO\* Our target, yeah,

hCbN\* 17 =or your target, This will be definitely difficult to -eh- to work, and=

hAqN\* Um-hum,

hCbN\* 17 =to increase -eh- your share and our share on - in the Australian market without  
getting this means,

hAqN\* 27 Okay, Well, then we have to, before we decide that, go through the details about  
that really means, if you get the hundred forty thousand for the total Australia  
market, including N.S.W.,

hCbN\* 18 How many ?

hAqN\* 28 We talked of a hundred forty thousand,

hAqO\* 12 But for the total of Australia,

hAqN\* 29 Total Australia,

hCbN\* 19 Is - is - if we get the total of Australia -

## Appendix Section 3

hAqN\* 30 It's a hundred forty thousand,

hAqO\* 13 We need - we need a target of one hundred forty thousand,

hCbO\* 12 Um-hum-m-m [*laughter*] And what will that mean in [*2 secs*]

hAqO\* 14 I mean; first year, first year,

hAqN\* 31 First year, And that - and - and our -eh-

hCbN\* 20 You - you ment- just mentioned the total  
Australian market;

hAqN\* 32 Yes, A hundred forty thousand,

hAqO\* 15 First year, Cases,

hAqN\* 33 That's what we're going to sell,

hAqO\* 16 That's the target we want to reach,

hAqN\* 34 Um-hum, And that is what we -

hAqO\* 17 So that's the target we're going to set on you, If you want - if you want the whole  
Australian market,

hCbO\* 13 And we will in that case be your sole agent ?

hAqO\* 18 Yeah,

hAqN\* 35 Yes, Yes,

hCbO\* 14 For the total Australian market ?

hAqO\* 19 Australian market, Our sole total agent, General agent, if you want,

hAqN\* 36 Of course the other figures we were talking about was hundred thousand, and that  
excluding Nor- -eh- New South Wales,

hCbN\* 21 And that's -eh-

hCbO\* 15 And - and also excluding the other two - the other distributors you have ?

hAqN\* 37 In your area, In your area,

hAqO\* 20 We know -eh- okay, yeah,

hCbN\* 22 So, Your proposal is to have us as sole distributor, distributing one hundred and  
forty thousand cases per year - all over Australia,

hAqN\* 38 Yes, Yes,

hCbN\* 23 Okay, This -eh- is a is a=

hAqO\* 21 [*aside to hAqN\**] Maybe we should talk about the - how the

hAqN\* 39 Oh, and

- hCbN\* 23 | =this is also a question of -eh- -eh- how you - you -eh- you sell us your product.  
Because | -eh- the price as you can guess is -eh- quite an important factor=
- hAqN\* | Yes
- hCbN\* 23 =for us, and -eh- we are not quite satisfied with the -eh- the - the way you - you -  
sell, the CIF -eh- price. -eh- You see, we -eh- when we receive the cargo, when  
the cargo reaches Australia, -eh- the - the - the - the price as compared to the one  
-eh- -eh- sold or - or -eh- shown in - in - in Scotland is a quite a different one,  
eh ? We - we -eh- the - the -eh- percentage of - of the margin you - you - have to -  
to - we have to - to - have on top of the UK price is quite an amount of money, =
- hAqN\* Mm, Mm.
- hCbN\* 23 =and -eh- to be frank with you, I can't see -eh- any room of -eh- for improvement  
for increasing the - the price on the local market, so we definitely need to - to  
discuss this point. | The -eh- the -eh- forty-eight dollars -eh- [ / sec]
- hAqN\* 40 | The - the fort-  
The forty-eight dollars per case,
- hAqO\* 22 That's Uk- that's the UK price, yeah.
- hCbN\* 24 We need to -eh- to obtain a reduction on this price.
- hAqO\* 23 Oh, you mean the sixty-nine point twelve ?
- hCbN\* 25 Yeah,
- hAqN\* 41 Sixty-nine point twelve; that's include- that's the CIF price.
- hCbO\* 16 | Um-hum,
- hCbN\* 26 | Yes,
- hAqN\* 42 Have you any idea what - what - the price you can sell it for, the -eh- [ looks at  
papers] what is here, then ? Popopopo - | Oh-h-h
- hCbN\* 27 | We - we - definitely need forty, forty  
dollars a case, Ex UK,
- hAqN\* 43 | Forty dollars ?
- hAqO\* 24 | Ah ! okay.
- hCbN\* 28 Ex UK, eh ?
- hAqO\* 25 He wants ex UK,
- hCbN\* 29 We -eh- the - one of the key points is - is also as I mentioned to you, we are not  
quite -eh- happy with this CIF policy. We - we much more prefer to - to - to decide  
on the routing of the cargo. Because you see, we have no - no facility to - to -eh-  
get better results for the time being, because -eh- we are charged a high price from  
you and -eh- [ 3 secs]
- hAqN\* 44 Yeah, but - but you see, [ / sec] what we have given you is the entire agency for  
the Australia. The whole total volumes. And now you are - also ask us that we  
should cut back on prices.
- hCbN\* 30 Yeah, but if - if - if - we obtain a better price from UK, or if we obtain a change  
in the routing of the cargo, wh- then we shall be able to - definitely to - to - to -  
eh- to sell your products in -eh- in Australia. The - the - We have to - lu -eh- -

- eh- discuss and agree on - on -eh- several points before -eh- getting - getting -eh- a solution or an outcome, you see. And the - so the - the - I have in mind three - three -eh- steps, I should say; the - the - the representation | was the - was=
- hAqN\* 30 =the first one; the - the question of the price - of the price you charge us, and=
- hCbN\* 30 =second was this terrific -eh- idea to - to dispatch a six-months' stock from Scotland, which is -eh- quite an amount of money; this is more than three million
- hAqN\* 45 |and a half - - approximately three million and a half, |And -eh-  
|mmm |Okay |Well are you - let me say,  
are you happy with -eh- with the targets, I mean a hundred forty thousand doll- -eh- cases per - for the first year ?
- hCbN\* 31 It sounds -eh-
- hCbO\* 17 It sounds pretty high for the first year, we should say, don't we ?
- hAqN\* 46 Well, I mean if you will have the entirely Australian agency, those are the figures we have to discuss,
- hCbO\* 18 Um-hum, Where did you - have you made any research on those figures ?
- hAqN\* 47 Yes, They - they are - I say, very accurate, [laughter]
- hAqO\* 26 They are, Very accurate, We asked every Australian, [laughter]
- hAqN\* 48 Spring-water drinker, [laughter] So - well -
- hCbN\* 32 What about this question of stock ?
- hAqN\* 49 Yes, |We can -
- hCbN\* 33 |Why - why do you -eh- are so - so keen on -eh- or fond of - of - -eh- despatching -eh- such a - such of a - such an amount of cases ?
- hAqN\* 50 |well |Well, you see the labour force in Scotland is a little unreliable, [laughter] so we might have been to some labour disputes and therefore we- we prefer very much to have - have a - a - a stock in Australia, But I mean those are the - the things we can discuss,
- hCbN\* 34 So you import your social problems onto the -eh- onto our local -eh- drinkers, eh ?  
|Oh, that not -
- hAqN\* 51 |Well, I think that's something we can gain on both parties - to build up a sufficient stock, But I think that is negotiable, definitely, The price -eh- I mean the -eh- what are we talk about, the -eh- mon- the stock, the number of month in stock, -eh- I understand that you - you - you would like - like to have a cut,
- hCbN\* 35 Yeah,
- hAqO\* 27 What would you suggest ?
- hCbN\* 36 What would you be -eh- prepared - to - to suggest ? [laughter]
- hAqN\* 52 Well, six months,
- hCbN\* 37 It's already six months, [laughs]

- hAqN\* 53 Okay, [2 secs] Well, let's go - let's go down to-
- hCbN\* 38 To be To be frank, we expected  
nothing. As a stock,
- hAqN\* 54 Nothing ?
- hCbN\* 39 Um-hum,
- hAqN\* 55 Oh, well, I think that that is - is - is very difficult to meet that demand. We must  
have a stock that's for sure, But I think we could combine it -eh- if - if we=  
hAqO\* Um-hum,  
hAqN\* 55 =if we -
- hCbN\* 40 We would be - say, we would be prepared to - to - to - to receive say a two months'  
stock -eh- with - if - if we obtain a reduction in the price, ex UK. We - as I  
mentioned to you, forty we - we calculated as forty - we calculated forty as the -eh-  
the - the [right?] amount of dollars we would be prepared to pay. From UK,
- hAqN\* 56 Forty dollars. That's less eight - eight dollars.
- hCbN\* 41 Which is not so -eh- big increase, Yeah, and eight dollars [?]that  
decrease -
- hAqN\* 57 We have to do a little calculation here beside, [whispered consultations; 24 secs]
- hCbO\* 19 [whispers] I understand Swedish, [laughter]
- hCbN\* 42 Well, it's forbidden to speak another language.
- hAqN\* 58 Oh, I'm sorry ! [laughter]
- 59 Well, we think that to - to keep the stock is - is very important, so I mean we can  
de- instead give you payment upon arrival. Instead of dispatch, [3 secs] And we  
suggest four month stock.
- hCbN\* 43 With which price ?
- hAqN\* 60 Same price.
- hCbO\* 20 Which is [2 secs] Forty eight,
- hAqN\* 61 Forty eight,
- hAqO\* 28 The CIF - Well, the - the CIF - the CIF cost sixty-nine=  
hCbO\* Well -eh-  
hAqO\* 28 = point twelve, and -eh- with four months' stock, and payment on arrival.  
hAqN\* Yes,  
hCbN\* Um-hum,
- hAqO\* 29 See ? [laughter]
- hAqN\* 62 Well, I think -
- hCbN\* 44 But -eh- no, Definitely if we - if - we want to - to increase our share and  
consequently your share in - in Australia vis-a-vis the competition, we definitely  
need some improvement in the price. We - we have to compete, -eh- We have tough  
competitors and we definitely be present on the - on the -eh- on the price, I mean



- hAqN\* 63 What - what do - Sorry,
- hCbN\* 45 Yeah, To - to -eh- [3 secs] we calculated forty, Definitely is requested to - to -  
eh- to increase on -eh- to get a nice share and a nice improvement
- hAqO\* 29 [whispers to hAqN\*]
- hAqN\* 64 What are your marketing plans ? Do you have any specific marketing plans for -
- hCbN\* 46 Yes, we have good - good prospects for - for next year, We - we expect to - according  
to the marketing team we - I mean the marketing team is forecasting a two p- a two  
point five increase a year, per year, which is encouraging -
- hAqN\* 65 But have you planned to do any specific marketing effort ?
- hCbN\* 47 Yeah, -eh- We are very -eh- well introduced, I should say -eh- on the - in the -eh-  
supermarkets, -eh- in the areas we cover, and we have launched a very successful -eh-  
advertising campaign, and -eh- this will definitely lead to a - some -eh- concrete  
improvement,
- hAqO\* 30 [aside to hAqN\*] If we can -
- hCbN\* 48 But we - we - -eh- made this campaign in the - with the idea or with the hope to - to  
- to - to -eh- get from you a substantial decrease in the - in the price or -eh-  
[2 secs]
- hAqN\* 66 So what you're saying that if we give you good - | give you fort-
- hCbN\* 49 | If - if - okay, if we - eh ?
- hAqN\* 67 If we give you a price of forty dollar per case ex UK -
- hCbO\* 21 Yeah ?
- hCbN\* 50 With the -eh- -eh- big campaign we -eh- or a big promotion we made these last few  
weeks, we should be able to -eh- obtain or to - to - to - to reach the goal -eh-  
[2 secs]
- hAqN\* 68 [softly to hAqO\*] Okay, [aloud] What you're saying is that you will obtain the  
marketing cost yourself then,
- hCbN\* 51 Beg pardon ?
- hAqN\* 69 The marketing cost will be obtained by yourself, then, [2 secs]
- hAqO\* 31 You - you will pay -
- hAqN\* 70 We deduct the CIF price with [Est ?] to forty dollars a case UK port, you sup- you  
pay the - the -eh- marketing cost yourself,
- hCbN\* 52 Yeah, I mean -eh- we - we- intend, with this -eh- -eh- decreasing price we intend  
to launch a new campaign, big campaign | -eh- to | -eh- stressing that the=
- hAqN\* | okay | so
- hCbN\* 52 =the - the -eh- this is a new area for - area - era ? era ? [laughter]=
- hCbO\* 22 'Era',
- hCbN\* 52 =era, for the AquaScot product-

hAqN\* 71 Yeah, So actually by - by sh- lower - lower that price, we give you better

hCbN\* 53 Yeah, we launch a new campaign,

hCb0\* 23 And -eh-

hAqN\* 72 Okay, and you get eff- efforts to - to market at cost,=

hCbN\* Yeah,

hAqN\* 72 =okay, so that includes that,

hCbN\* 54 Believe me, -eh- your product will rocket,

hAqN\* 73 Okay,

hCbN\* 55 And sales - sales will rocket,

hAqN\* 74 Okay, [2 secs] What other things do we need to talk about when we come to the prices here? We have the -eh- [2 secs] -eh- we all agree on that?

hCbN\* 56 Ah, So it will -

hAq0\* 32 Well, we - we - Did we agree upon - I mean, [2 secs] We would rather - we would=

hAqN\* Ah,

hAq0\* 32 =rather have a CIF price of - say a CIF price sixty nine point twelve, but -eh- we can agree to four months' stock, If - if we get sixty nine point twelve you get four months' stock and payment on arrival,

hAqN\* 75 Yeah, But then we - we - we -

hCbN\* 57 I guess we - we - we can't live with that, We can't live with that, If - if we want to and consequently if you wanted to have your - your product, -eh- I mean -eh- rocketing, or sales rocketing, we definitely need something on the price,

hAq0\* 33 [whispers to hAqN\* =]

hAqN\* 76 [aside to hAq0\*] Yeah, but they should do that themselves,

hAq0\* 33 =Sh-h-h-h,

hCbN\* 58 We - we definitely need to have something on the - I mean, some decrease in the - in the - a decrease in the - in the price, to - to - to - be able to - to launch this - this -eh- campaign,

hAqN\* 77 Yeah, [6 secs]

hCbN\* 59 So - so for- forty, for- we would be - we would be -eh- -eh- we would be agreeable to - to - to come back on the - on the stock, We were requesting -eh- we were requiring -eh- no stock at all; we would be ready to accept the four months' you - you - you proposed, but in exchange we definitely need a reduction in the price,

hAqN\* 78 Yeah, Well, I think that we'll be - we would like to suggest sixty nine twelve - you -eh- actually - CIF price, the payment on arrival, four month stock, and=

hAq0\* Yeah stock, and our -

hAqN\* 78 =and you have - we will support you with two dollars in the marketing effort,

hAq0\* 34 Yeah, Two dollars per case,

hAqN\* 79 Two dollars per case in marketing efforts,

hAq0\* 35 See ? [laughs] Not bad, eh ? [laughter] [2 secs] If we get sixty nine point twelve, and the target, you get four months' stock only, instead of six months, and we get payment at arrival, and you al- we also contribute with two dollars per case in marketing efforts,

hCbN\* 60 So, We need some -eh- some -eh-

hCb0\* 24 calculations,

hAq0\* 36 Please, go ahead,

[whispered conferences; 1 min 4 secs]

hAq0\* 37 Okay. So what do you -eh- think about -eh- our offer ?

hAqN\* 80 Our offer ? [laughter]

hAq0\* 38 Okay ?

hCbN\* 61 Okay, but I ge- I ge- -eh- No, We would - to be - to be frank, we would be agreeable to your - maybe to [name hAq0\*]'s nice proposals, if on the other hand we obtain the -eh- full representation,

hAqN\* 81 We have - you have - we have - We are discussing that full representation,

hAq0\* 39 Oh, yeah, You can have the one hundred fifty thousand and=

hAqN\* 82 You Full representation,

hAq0\* 39 =full representation, All Australia, [2 secs] Plus the South Pole, [laughter]

hAqN\* 83 That's another fifty thousand, [laughter]

hCbN\* 62 Well, I guess we missed something then,

hAqN\* 84 Okay, We stick to our CIF price -

hAq0\* 40 Yeah, I'm sorry, That sixty nine point twelve is really -eh- a tough issue,

hAqN\* 85 Four months - we cut the stock down to four month, and payment on arrival, I think that's what we agreed on, Okay ?

hCbN\* Um-hum,

hAq0\* 41 And also the two per case in marketing contribution,

hAqN\* 86 Yes, Marketing contribution two dollars,

hAq0\* 42 Per case,

hAqN\* 87 So that is - that's the landed cost - that's the landed cost,

hCbN\* 63 That's to - to -eh- to launch the -another big campaign,

hAqN\* 88 Hm ?

hCbN\* 64 The two dollars is -eh- for us to help the -eh- launching the marketing campaign  
hAqN\* for marketing right

- hAq0\* 43 Right, Yes.
- hAqN\* 89 Oh yes, It's a very important thing, I mean -eh-
- hAq0\* 44 | Yeah, We realise - | we realise=  
hAqN\* | Yes,  
hAq0\* 44 =that you - you have to get a good start here.
- hAqN\* 90 [*clears throat*] [*3 secs*] And then we have to discuss the retail price,
- hAq0\* 45 Yeah, Maybe we should leave this for - in the meantime, and - and - and discuss the  
retail prices, and the | -eh-
- hAqN\* 91 | the margin,
- hAq0\* 46 And the margin, yeah yeah, yeah,
- hAqN\* 92 If we are talking about -eh- re-
- [*aside to tutor*] Okay, yeah, we'll finish in two minutes, no problem.
- hAq0\* 47 No problem at all, [*laughter*]
- hAqN\* 93 We're in a good mood, a good way, [*laughter*] Yes, I mean it seems that our proposal  
is - is -eh- it's a good offer, I mean -eh- [*whispered conference; 9 secs*] Okay;
- hAq0\* 48 The - the - the=-
- hCbN\* 65 [*aside to hCb0\**] yeah, but with four months' stock, instead of six, that's -
- hAq0\* 48 =Shall we rea- shall we talk about | the - the - the -
- hAqN\* 94 | The retail price, The retail price, Listen, hang  
on a second; | The retail price, [*3 secs*]  
hCb0\* 25 | Okay
- hCbN\* 66 In Australia ?
- hAqN\* 95 Yah,
- hCbN\* 67 No, in UK,
- hAqN\* 96 No; the retail price in Australia, That's what you sell the goods to the -eh- the  
buyer - the buyer, not the consumer, the - the stores, eh ? No ?
- hAq0\* 49 The stores, | yes, We have - we want to increase that by -eh- twenty five percent.  
hCbN\* | Um-hum,
- hAqN\* 97 Twenty-five percent, [*2 secs*]
- hAq0\* 50 Yeah, [*3 secs*] [*laughter*]
- hAqN\* 98 | And that is -
- hAq0\* 51 | And we also - | maybe we should
- hAqN\* 99 | And the - the difference, I mean the - that is hundred twelve -

hAqO\* 52 No that's the only one.

hCbO\* 26 What do you mean by that ? Hm ?

hCbN\* 68 We - we are for the time being -eh- [3 secs]

hCbO\* 27 You want to increase that ?

hAqN\* 100 The retail prices, I mean all this efforts we put in to that supporting -eh- -eh=  
hAqO\* Yeah,  
hAqN\* 100 =marketing support,

hCbN\* 69 But the retail price is - is already sixty nine.

hAqN\* 101 No, no, That's not the retail price.

hAqO\* 53 That's - that's our price to you.

hAqN\* 102 That's the landed cost.

hCbO\* 28 Um-Hum.

hAqO\* 54 Yeah, yeah; that's the landed cost.

hCbN\* 70 Oh, yes, you - you are right.

hAqO\* 55 Yeah.

hAqN\* 103 And - and we - we know your margin on top of that, And that is the retail price,

hAqO\* 56 The marginal margin.

hCbN\* 71 Yeah, yeah.

hAqO\* 57 [laughter] The marginal margin,

hAqN\* 104 Okay. Good. So we would like to increase that retail price=  
hAqO\* Yeah, Because -

hCbN\* 72 But -eh- =

hAqN\* 104 =by twenty five percent,

ChI\* 72 =I - now, but -eh- This is totally impossible. You see, the - the  
local market don't -eh- won't support this -eh- or won't, yeah, support this -eh-  
this increase,

hAqN\* 105 -eh- We

hCbO\* 29 What do you - what is your purpose for that ?

hAqO\* 58 Well, that's a - a part of a scheme to -eh- to position the product in a growing  
market.

hAqN\* 106 [to tutor] Okay - one minute.

hCbN\* 73 We can't live with that. Definitely, I must ans- answer -

hAq0\* 59  
somebody else, [laughter]

We are giving the agency to

hAgN\* 107 We have given you something, now you have to give us something. Okay ?

hAq0\* 60 | So call, call us - [laughter]

hAqN\* 108 | So what we should|actually -

hCbN\* 74 | Call us a taxi ! [*laughs*]

hAq0\* 61 Don't call us, we'll call you, [laughter]

hCbN\* 75 No, I guess we are short of time now, Maybe we can re-discuss next week in a=

hCbN\* 75 =nice hotel, to re-discuss this, [laughs]

hAq0\* 62 I suggest [*Baranoff's ?*] [*laughter*]

hAgN\* 109 So, we could not agree to that ?

hCbN\* 76 No. The | -eh-

hAgN*	110	Okay.
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hCbN\* 77 Believe us.

hAg0\* 63 I do.

E N D



AGENCY: Piedad, Topic flow (topic X turn)

	EXCV DIST	NSW DIST	RIV ALS	TRGT P,A,	STCK HELD	COST EXUK	TRMS PYMT	MKT6 PUSH	IMGE	MKT POSI	MARK UPS	PRCE LEVL	PRCE CTRL	CON- TRACT
invite prop general; invite Qs	Cb3 Aq Cb Aq			Aq3						Aq3				
info		Cb4 Aq Cb Aq	Cb5 Aq						Cb6	Aq5 Cb				
topic shift				Aq6 Cb										
prop clarif Q clarif ctr-prop		Aq7 Cb Aq Cb9 Aq	Aq7	Aq7 Cb Aq Cb9 Aq Cb										
expand prop topic shift info clarify Q confirm confirm Q confirm confirm Q confirm				Aq10				=Cb10		Cb10 Aq10				
			Cb11 Aq							Cb12 Aq				
		Cb13 Aq Cb		Cb14 Aq										
=topic shift								Aq14 Cb Aq Cb Aq Cb Aq Cb		Aq15				
qualif vague prop prop confirm Q	Cb16	Cb16		Aq16							Aq16			
info topic shift; open Q topic shift clarify Q clarify info				Cb19		Cb19	Cb19				Cb18 Cb19		Aq19 Cb Aq	
											Aq20 Cb Aq Cb Aq Cb Aq			
open Q prop confirm Q deny/clarify s/w topic shift prop clarify Q clarify Q clarify s/w topic shift;prop prop reject open Q prop				Cb24  Cb25		Cb25						Cb24 Aq24		
			Cb26	=Cb26 Aq Cb		=Cb26						Aq25 Cb Cb		Cb26 Cb Aq Cb Aq
							Aq26 Cb28							
clarify Q						Cb29 Aq Cb Aq29 Cb =Aq	Aq28				Aq28			
clarify Q restate prop clarify Q prop clarify Q clarify; prop confirm Q						Aq30 Cb Aq Cb Aq		Cb32 Aq30  Cb34						
				Cb34 Aq										
		Cb35 Aq				Aq33 Cb	Cb36							



clarify Q		Cb69		Cb69
return Q		Aq		Aq
confirm Q		Cb		
prop		Aq62		
clarify Q	Cb71	Cb71		
clarify (error)	Aq			
	Cb			
clarify (right)	Aq	Aq64		
ackn; clarify Q	Cb	Cb		
confirm Q		Cb		
signal error		Aq		
confirm Q re target		Cb		
unsure		Aq		
restate prop		Cb	Cb76	
summarise prop	Aq68	Aq	Aq	
re-nom, topic		Cb		
		Aq		
confirm Q	Cb78	Cb		
prop		Aq		
confirm chk		Cb		
ackn		Aq		
confirm Q		Cb		
ackn		Aq		
confirm Q		Cb		
ackn		Aq		
prop		Cb83	Cb83	
invite prop			Aq	
prop			Cb	
reject			Aq	
finish prop			Cb	
ctr prop			Aq	
confirm chk			Cb	
			Aq	
			Cb	
s/w topic shift				
topic shift			Cb87	Cb87
			Aq80	
			Cb	
topic shift	[=Cb88]			
			Aq81	
			Cb	
topic shift				
indirect agree			=Cb89	
topic shift			Aq	
misunderstand		Cb90		
clarify	Aq85	Cb91		
indirect agree		Aq		
summarise prop		Cb	Cb92	
agree		Aq	Aq	
confirm prop		Cb		
summary (notice)		Aq		
info		Cb94		
		Aq		
prop		Cb		
		cb		
ctr-prop; Q		Aq		
confirm		Cb		
ackn		Aq		
prop		Cb	Cb97	Cb97
ctr prop	Aq90	Aq		Aq90
confirm Q		Cb		
confirm; prop		Aq	Aq91	
			Cb	
			Aq	
			Cb	
			Aq	
			Cb	
restate prop				
info			=Cb101	Cb101 Cb101
			Aq	
			Cb	
		Cb102	Cb102	
prop	Aq95			
clarify Q	Cb			
clarify	Aq	Aq96		
info		Cb		

restate prop	Aq97	Aq97	Aq97	Aq97	
confirm Q			Aq	Cb	
confirm			Cb	Cb106	Cb106
ctr-prop			Aq	Aq	Aq
			Cb	Cb	
			Aq	Aq	
meta; signal			Cb	Cb	
			Aq	Aq	
prop			Cb	Cb109	
		cb4	cb		
s/w topic shift		Cb110			
ctr-prop				Aq101	
clarify Q				Cb	
restate prop				Aq	
ctr-prop				Cb	
reject				Aq	
				aq	
				Aq	
info			Cb114	Cb	
restate prop				Aq	
confirm chk				Cb	
restate prop				Aq	
ctr-prop		Aq106		Cb	
reject, restate	Cb116	Cb		Aq	Aq107
prop			Cb117	Cb	Cb
			aq		
summarise prop			Aq	Aq108	
ctr-prop				Cb	
original prop			Aq109	Aq	
ctr prop				Cb	
			Aq		
prop					
accept (interrupted)			Aq111	Aq111	Cb120
			Cb		Aq
			Aq	Aq	Cb
accept; condit					Aq
recap					
clarify Q					Cb121
clarify					Aq
accept					Cb
					Aq
					Cb
					Aq
accept					Aq
confirm prop					
confirm prop					
		cb5			
agree		Cb			
confirm prop		Aq			
				cb6	
				Cb	
agree				Aq	

AGREE AND END



marketing and -eh- distributing in the area, -eh- Also, that you don't have, -eh- as you said, a - a New South Wales distribution set-up at the moment, -eh- and we feel that perhaps that that would be quite important in an area as competitive as New South Wales, -eh- to have a really committed and really experienced distributor there, -eh- [ / sec] And as I said, one thing we are quite interested in is - is your attitude to our product within the rest of Australia,

- pCbN 6 Well, you were right when you said it was - right now, it is a low percent of our total turnover, -eh- However, as far as in the spring-water, the bottled=
- pAqN Um-hum
- pCbN 6 =water, it is our biggest product, We do handle two others, -eh- they're=
- pAqN Um-hum
- pCbN 6 =smaller, and if we can come to terms, we would - we would be in a position you as our number one supplier of bottled water, I don't think we could say that=
- pAqN Um-hum
- pCbN 6 =you could be - you know, we'd have to see through time if you would be our biggest supplier of anything, But remember we - we hope we can increase the sales of=
- pAqN Yes,
- pCbN 6 =your product due to our relationships with the wine and spirits people now. We have good relationships with them, it - it goes along with them; a lot of scotch drinkers, we're big in the scotch market, there'd be a tie-in for you there,=
- pAqN Um-hum, Um-hum,
- pCbN 6 =so we might sell more scotch than bottled water, but this would bring your sales up at the same time,
- pAqN 6 Um-hum, Um-hum, Yes, that's one of the areas we've looked at as well. Eh- Maybe if I tell you the - the- the targets we would expect to -eh- have met,
- pCbN 7 Yes, let's talk about the targets that you've got,
- pAqN 7 -eh- What we're looking at is -eh- [2 secs] minimum targets of a hundred to a hundred fifty thousand in Year One, doubling each year, to Year Four, when obviously we would have -eh- [2 secs] some kind of - of review -eh- on our contract. Because as I mentioned before, Kangarouge is - is in New South Wales, and it would be a try-out with them as well. They are prepared to take over full distribution over the rest of Australia -eh- if they feel that they could take over our target requirements,
- pCbN 8 Are these targets you're talking about with South Wales, or without New South Wales ?
- pAqN 8 Without New South Wales. No this is -eh- this is -eh- this would be your targets,
- pCbN 9 We felt your targets were [ / sec] maybe a little strong, in the fact that they represent a doubling each year, when the market itself is only doubling=
- pAqN That's right,
- pCbN 9 =every two years, -eh- [ / sec] Again, if we look at the position, if we had New=
- pAqN Um-hum
- pCbN 9 =South Wales, of course then we could commit to -eh- to doing quite a bit=
- pAqN Um-hum
- pCbN 9 = more business, or having a higher target, -eh- We had thought about additional target, without New South Wales, of fifty thousand cases a year. With New South Wales, seventy thousand cases a year,
- pAqN 9 Um-hum, [2 secs] Yes, Yes,
- pCbN 10 And where we get that figure: fifty thousand - we're doing thirty thousand cases a year now, for you presently, That would represent a healthy increase in the first=



- pAqN Um-hum  
pCbN 10 =year. And the other fact; -eh- a lot of it depends on how much you're going=  
pAqN Yes.  
pCbN 10 =to put into the marketing of it. We can everything, but if the advertising -eh- isn't there, and the money isn't in the marketing, people aren't going to buy it no matter -eh- no matter what. We might - we could probably feel more comfortable=  
pAqN Um-hum.  
pCbN 10 =with higher targets, if we had an idea that you're really going to be committed to selling this product.
- pAqN 10 Well, [ / sec] our present dis- our present distribution that - that we have in -eh- Australia is, minus New South Wales is fifty five thousand, so that's below what your - what you think your target could be.
- pCbN 11 So you have other distributors now, you're saying.  
pAqN 11 At present, yes.
- pCbN 12 So you're doing fifty five there now,  
pAqN 12 We're doing fifty five at the moment. That's -  
pCbN 13 Without New South Wales.  
pAqN 13 Yes, [ / sec]
- pCbN 14 So if we became exclusive, we would be able to jump to that number right away, one would think.  
pAqN 14 That's - that's without - that would be without any effort on your part. Now you've talked about marketing; what would you be willing to - to offer us in way of - of marketing our product within -eh- Australia ? [ 2 secs]
- pCbN 15 [ to pCbN#1] What do you think about that one ? [ aloud] We hadn't really looked at the marketing aspect, other than our normal sales calls as - as a distributor,=  
pAqN Um-hum  
pCbN 15 =you know, something could probably wo- be worked out along those lines.  
pAqN 15 Um-hum, Um-hum.  
I mean obviously what we're looking at is a - is a huge increase in your business if -eh- -eh- we go through with this contract, -eh- [ 2 secs] Because of the - of the - of the potential there is there. So as I said, what I'd like are some kind of reassurances and ideas on your part what you would do sort of to market the product and -eh- redouble your efforts.
- pCbN 16 Well, we could certainly look into - with an exclusive arrangement - with putting more effort into it. I guess I was wondering, do you have an idea that you're willing to commit thirty percent more resources than last year in advertising ? Or where do you stand on advertising costs and things like that ?
- pAqN 16 -eh- Well, what we would be looking for -eh- is - At the moment, -eh- your mark-up is thirty percent. And what we would expect for -eh- the opportunity of sales that - that we are offering here is some kind of commitment on your part to -eh- sales, because -eh- well, you see a thirty percent mark-up is quite considerable when you're talking about a hundred thousand cases, -eh- And -eh- what I would be looking for would be at the moment a -eh- for the marketing to - to come from Cobber,

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- pCbN 17 So it's for us to do the marketing, advertising and everything.
- pAqN 17 -eh- Yes, -eh- -eh-
- pCbN 18 Out of our markup, Because of course that isn't the way it is now;=  
pAqN Um-hum
- pCbN 18 =you're - you're providing marketing, and -eh- you're providing advertising expense  
and those kind of things now for the product, Generally a distributor=  
pAqN Um-hum Um-hum, Um-hum,
- pCbN 18 =doesn't pay for the advert- we do local ads, but you're responsible for the over-all  
advertising, -eh- [3 secs]
- pAqN [very softly] Um-hum,
- pAqD 1 [to pAqN] Want to break ?
- pAqN 18 No, no - Eh-
- pCbN 19 As far as the price, -eh- presently at forty-eight, plus your markup of twenty=  
pAqN Um-hum
- pCbN 19 =percent, plus - plus the freight, -eh- What plans do have on the price, if we=  
pAqN That's right,
- pCbN 19 =can commit to larger numbers ?
- pAqN 19 Eh, Well; you already have - we are intending to increase the price,
- pCbN 20 To - to us ? Or -
- pAqN 20 At the moment, just - just the final price to the customer, -eh- We may have some  
area for negotiation on the split of - of what that price increase would be, I mean  
at the moment, -eh- what we look at is that our profit is -eh- [2 secs] at - quite  
a lot less than yours, I believe, at - at present, [looks at papers] That's right;  
our own markup in the UK is only twenty percent and you get - you put thirty percent  
on the CIF price, so -eh- that's quite a bit bigger -
- pCbN 21 Well, your mark-up's more than that, because your U- your  
UK price is forty eight, You add - and you're - I'm sure=  
pAqN Um-hum
- pCbN 21 =you're not selling in the UK for cost, so you have a mark-up there, plus then  
you're tacking on an additional twenty percent for your export, [3 secs]
- pAqN 21 [to pAqD] That's right, [aloud] So what we're saying our figures are - [name pCbD\*]  
has the figures here, And what are you saying the price you base it on [whispered  
conference; 30 secs.] Um-hum, Um-hum, [aloud] Yes, That's what -eh- I was just  
checking our figures -eh- At the moment on the market you're getting sixty-eight  
percent of the profit, which is -
- pCbN 22 Wait a sec, [3 secs]
- pAqN 22 [aside to pAqD] that's right,
- pCbN 23 Excuse us,
- pAqN 23 Eh - so - yes; at the moment the way it works out, yes you are getting sixty-eight  
percent, and we are getting the twenty-four percent, obviously because we- wish to  
get into foreign markets, So that's why we would be unwilling to reduce -eh- or  
rather increase your profits or your prices at the moment, -eh- What we would be  
able to talk about perhaps, as I said, is the - is the - the new price,

- pCbN 24 Do you have any ideas on what the new price would be if we could | come to terms on=  
pAqN | -eh-  
pCbN 24 =on a large committment ?
- pAqN 24 What we would be looking for, hopefully it would be a hundred and twelve dollars per case, About a hundred and twelve dollars per case.
- pCbN 25 So you're talking - you want us to do more volume, | but you're almost doubling our=  
pAqN | That's right,  
pCbN 25 =price. Our price now is sixty-two a case, | -eh- Sixty nine a case,  
pAqN 25 | No, this is - this is - this is in the store, This is in the store, Ninety - it's at the moment ninety dollars per case in the store, [2 secs]
- pCbN 26 Our - our problem quite frankly, [name pAqN] the local - We'd like to have more control over the Australian pricing, | It's not a local situation, One twelve=  
pAqN | Um-hum  
pCbN 26 =won't sell your product, | And you can go with the Kangarouge people at=  
pAqN | Um-hum  
pCbN 26 =that price, because it won't sell, We feel we know the market better there, -eh- If you're going to rely on us | to do the numbers you want, we need more=  
pAqN | Um-hum  
pCbN 26 =flexibility in pricing, We would rather buy ex works from the UK; we pay the freight, go out freight collect, | freight/insurance collect, So we'd rather talk=  
pAqN | Um-hum  
pCbN 26 =in terms of a price from the UK so that we set the price in Australia, according to the local market,  
pAqN | Um-hum,
- pAqN 26 If we're getting - if we're going to get some sort of committment from you, or rather if you're going to - willing to accept our targets, -eh- [ / sec] what sort of [ / sec] share of - of - of the decision making on the distribution do you require ?
- pCbN 27 I'm afraid I don't understand your question.
- pAqN 27 I mean what sort of - Would you want t- total -eh-
- pCbN 28 Yes we'd like - in other words, we want to buy from you, | ex UK, for so much a  
pAqN | Um-hum  
pCbN 28 case, and we'll the freight, insurance, everything,  
pAqN | Um-hum
- pCbN 29 [2 secs] And we'd be prepared to go forty dollars a case.
- pAqN 28 Um-hum, We would rather have more control over our product than that, -eh- [3 secs] And if we go to forty dollars per case, that makes it- [6 secs] Right, [ / sec] Forty dollars per case would be no use at all in our - in our profit margins,
- pCbN 30 What would be -eh- ?
- pAqN 29 Eh - we would be willing to accept, say [2 secs] | [softly] one - two=  
pCbN 31 | To get ex works, not delivered ?
- pAqN 29 [3 secs] [5 secs whispered conference] =we think an absolute minimum could be sixty-five dollars,

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pCbN 32 You mean including freight and -eh- including freight and -eh-

pAqN 30 No, no, because that's less than our freight prices at the moment.

Cb 33 Hold on a second; we'll pay - what can we buy it for, at - at the door? We'll pay the freight and everything.

pAqN 31 We reckon sixty-five.

pCbN 34 Excuse me; that's less - if we're paying the freight, that's more than we're=

pAqN 34 =paying now. Why do we want - why would we want to set up and pay more Um-hum

pCbN 34 =you're asking us to double and triple the volumes? when=

pAqN 32 Right, okay; if we're - if we're willing to negotiate something on the price there, or rather, if you're willing to take a hundred thousand this year, and double it to - for - for the next four years- [1 sec]

pCbN 35 This is without New South Wales? Without.

pAqN 33 Without New South Wales. Then we would be willing to look at say [1 sec] -eh- sixty, sixty dollars.

pCbN 36 Okay. Sixty, per case, [4 secs] and we pay the freight? Um-hum

pAqN 36 That's right.

pCbN 37 [4 secs] May I consult with my -eh- traffic manager for just a second?

pAqN 34 Certainly, Um-hum.

pCbN 38 And you guys can [?] as well. [whispered conferences; 31 secs]

39 We feel that -

pAqN 2 Excuse me,

pCbN 40 Sure, [more conference; 10 secs]

41 We could be prepared to accept [2 secs] obviously higher than the forty dollars a case number I threw out. I'm not sure we could go sixty, but there are other considerations we'd like to discuss with you. One of which is terms of payment, and the stock you're requiring us to keep=

pAqN 41 Um-hum

pCbN 41 =with the kind of numbers we're going to be talking, big volumes, we have a bit of a problem in paying for the goods when they're shipped and we also have a bit=

pAqN 41 Um-hum

pCbN 41 =of a problem carrying - paying for six months' stock at a time, when it's just=

pAqN 41 Um-hum

pCbN 41 =sitting there, If we can work something out and get a little closer on price=

pAqN 41 Um-hum

pCbN 41 =would you be amenable to working with us on stock. For example, we'd like to just=

pAqN 41 Um-hum

pCbN 41 =buy two months' stock at a time, and be billed - We'll pay the freight, the freight will be collect, we'll pay for the goods upon receipt in Australia. And again, this is also based on we would come in at your numbers, which are again, almost double what we're willing to do.

- pAqN 34 | Yeah; | Eh-
- pCbN 42 | And - and to include New South Wales,
- pAqN 35 In terms of two months at a time, I don't think that's feasible in [*whispered conference*] [*aloud*] Right, -eh- [*2 secs*] on those figures, New South Wales is -eh- not in there, | at least at the moment,
- pCbN 43 | It's not in the target, or -
- pAqN 36 No, I mean -eh- we need, and in fact if it goes up to two months at a time we would need [*2 secs*] [*aside to pAqN*] that's right, Um-hum, yeah [*aloud*] in - in terms of two months' stocks, two months payment, -eh- we would need -
- pCbN 44 -eh- Not two months' payment; you see we'll pay the day it hits the shore, [*2 secs*]
- pAqN 37 Right, so you would - you would-
- pCbN 45 We'll carry two months' stock | at all times | order in two month lots=  
pAqN | that's right | Um-hum  
pCbN 45 =we'll pay the freig- You won't have any freight charges, you don't have no- to do any of that. The day it hits the shore, we wire you the money, [*3 secs*]
- pAqN 38 On those grounds, we would - we would need you to take more total product, Otherwise we're - we're just losing money, aren't we ?
- pCbN 46 -eh- Why do you require us to keep such a large stock ?
- pAqN 39 Eh -
- pCbN 47 Because we have of course a large carrying cost, | If we have - if that has to=  
pAqN | Um-hum  
pCbN 47 =sit for four months or five months in our warehouse - in warehouses, it's expensive to store that stuff, Why do you require- | I mean if we can understand=  
pAqN | Um-hum  
pCbN 47 = why you need that, we could see our way clear to - to work on that point with you,
- pAqN 40 Eh- [*2 secs*] well, we're not [*2 secs*] We're not bothered about sort of two month - two months at a time, -eh- ordering as such, -eh- It's just that on those sort of markups -eh- Well, we'll think - we'll think about that one for the time being, I think, So that you're suggesting is two months' stock at a time, | Your holding -  
pCbN 48 | Two month orders,  
| Yes,
- pAqN 41 Yes, Yes. Two month orders, -eh- And you're willing for that to do the hundred thousand a year, doubling for four years,
- pCbN 49 With New South Wales,
- pAqN 42 No, -eh- a hundred thousand a year would be less than that,
- pCbN 50 If we put in New S- if we could -
- pAqN 43 If you included New South Wales, | -eh-
- pCbN 51 | What would our quota be ?

- pAqN 44 [3 secs] Yeah, It'd be [1 sec] a hundred and fifty thousand per year, doubling. Because Kangarouge have - have agreed to the - to - to the doubling as well.
- pCbN 52 You mean one fifty just for New South Wales ?
- pAqN 45 One fifty [including New South Wales, What we would need for that would be some=
- pCbN Total,
- pAqN 45 =kind of idea of what sort of marketing input and advertising input you're willing to put into guarantee those sort of -eh-
- pCbN 53 Well, if we get New South Wales, [2 secs] and we could work on price, that would give us more of a margin to spend on advertising. And with the market growing=
- pAqN Um-hum
- pCbN 53 =the way it is, [2 secs] we would even be willing to do something along the lines of, if we don't make our one fifty, we would buy that much anyway.
- pAqN 46 Yeah, Yeah, Kangarouge at the moment have agreed to our original prices of -eh- and the price increase, so at the moment Kangarouge are agreeing including freight, to a hundred and twelve dollars per case, which is sixty- [3 secs] which would work out to sixty-five dollars, and you pay freight and insurance.
- pCbN 54 [aside to pCbN] So I make that sixty-five plus twenty plus twenty. [aloud] And - what sort of penalties or anything do we - We want a long term relationship with=
- pAqN Um-hum
- pCbN 54 =you folks. We don't want - if we don't meet our quota one year, be thrown out for someone else,
- pAqN 47 Um-hum, Um-hum, Eh - we would be willing to do it sort of, -eh- -eh- , once every two years, review once every - every two years.
- pCbN 55 So we'd have just a two year contract, and that would be it ? Because that might not be the best for either one of us, Especially if you're talking about=
- pAqN Um-hum
- pCbN 55 =numbers five years down the road. We prefer a longer term situation, so we can=
- pAqN Um-hum
- pCbN 55 =both grow together in the market, So you - your New South Wales distributor is - they're willing to sign up=
- pAqN 48 Yep.
- pCbN 55 =for a hundred fifty thousand cases just for New South Wales.
- pAqN 49 Fifty thousand cases.
- pCbN 56 How many ?
- pAqN 50 Fifty thousand,
- pCbN 57 All right. They're going to sign up for fifty, And you're looking for a hundred=
- pAqN Yeah,
- pCbN 57 =from us ?
- pAqN 51 Yeah,
- pCbN 58 What if we were to offer a guarantee of a hundred seventy five thousand for New South Wales and Australia ? Guaranteed, We'll buy any unuse- we'll buy=
- pAqN Um-hum
- pCbN 58 =any unsold stock.



- pAqN 52 Um-hum, Doubling every year ?
- pCbN 59 Doubling every year, | We'll put increased marketing, but at fifty five dollars=  
pAqN | Um-hum  
pCbN 59 =a case, ex UK.
- pAqN 53 Fifty five ex UK ?
- pCbN 60 [to pCbO\*] Do those numbers sound okay ?
- pCbO\* 1 Yes, they do.
- pCbN 61 [to pCbO\*] They're guaranteeing fifty for New South Wales.
- pAqN 54 We can't do it; you're taking the food out of my children's mouth, like that.
- pCbN 62 [to pCbO\*] Run those numbers and see what we can - see what we can do, I don't see how we could give much more than that.
- pAqN 55 Our minimum would be sixty dollars; absolute rock-bottom minimum sixty dollars, [3 secs] And we would - we would also require some kind of written commitment of what you're going to do about marketing, because that's important.
- pCbN 63 In the way of that, what would you be looking for | - specifically,, I mean we can=  
pAqN | -eh-  
pCbN 63 =give you sales | plans and things but that doesn't guarantee results, | -eh-  
pAqN 56 | Um-hum, Um-hum, | Okay. But you would also be given - -eh- yeah. We would [aside to pAqN] that's right, -eh- I think within what they'd require to do if they were buying more stocks, so that - that would ensure that they'd have to -
- 57 [aloud] Eh - but we would like to see -eh- within - within two years, Acquascot number one mineral water in Australia. For that we would be perhaps looking for a longer term relationship, obviously.
- pCbN 64 Could we have a sliding scale, so instead of doubling every year could we go from one seventy five to - instead of going to three twenty five, which is a large chunk - could we go one seventy five the first year, maybe three hundred the second year, have a sliding scale | as we get established in the market ? It's going to be=  
pAqN | Um-hum  
pCbN 64 =hard to double the market in two years.  
pAqN Um-hum, Eh -
- pCbN 65 Because the market isn't doubling every two; it's doubling - I mean it's not doubling every year, it's doubling every two.
- pAqN 58 Right. Well, how about if we looked at it -eh- a longer term programme, perhaps.
- pCbN 66 Sure, | What have you got in mind ?
- pAqN 59 | -eh- Well, say [2 secs] if we - if we looked it within another year, and [aside to pAqN - indistinct] [aloud] and so perhaps instead of doubling it - We started off with a hundred and seventy five thousand that you're willing to take, and on that - and that would be as I say our rock bottom minimum is - is sixty dollars.
- pCbN 67 And what market share do you wish to attain ?

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- pAqN 60 And we look at it as a [2 secs] over three years ? Three years ? Four years ?  
[2 secs] [aside to pAqN] All right, [3 secs] [aloud] Eh, Say three years, we  
look at it seventy five, seventy five percent of the market.
- pAqN 3 Which would be approximately -eh-
- pCbN\* 2 I'll get that.
- pAqN 4 - what would the market be in three years ? Let's look at that.
- pCbN 68 It's one - it's that now. Times two plus - plus that one, [conference on both  
sides, 1 min 5 secs]
- 69 What - what do you estimate that seventy percent of the market would be in three  
years, how many cases a year would that be ?
- pAqN 61 Yeah, well, as you said, you're - you're - you're -eh- the experts in this - this  
market, I mean we can only give some ball-park estimations. What do you think is  
the realistic area ?
- pCbN 70 So you're looking that in - by Year Four you'd like to see sales reach eight hundred  
thousand cases, is that correct ?
- pAqN 62 Eh - we would like more than that on - on - on this kind of deal. Because what we  
were originally looking for was -eh- [writes] one seven five [2 secs] three fifty  
six [4 secs] We were looking for something in the region of - of a minimum of six  
hundred thousand in three years. [whispered conferences 13 secs]
- pCbN 71 Let's -eh- Could you give us your projections - Now we - again, we have to be sure  
we're talking about the same thing. We're talking with New South Wales or without ?
- pAqN 63 Um-hum,  
Without New South Wales, at this point - Oh, well, that -
- pCbN 72 We'd rather talk with.
- pAqN 64 Well, That would be [4 secs] [conference with pAqN] Actually that would be with  
New South Wales, Um-hum, Right,  
[aloud] Yeah, We could do - we could do six hundred thousand in Year Three with  
New South Wales,
- pCbN 73 With New South Wales. Okay, what about Year Two ?
- pAqN 65 Eh -
- pCbN 74 -eh- one year - We're looking at the first year, we're talking at a figure of one  
seventy five ?
- pAqN 66 Not at - sorry - but - sorry, I've made a mistake there, -eh- We would need one  
five -
- pCbN 75 You're asking for one five oh the first year, right ?
- pAqN 67 No, one seven five. Or one five oh ?
- pCbN 76 One seven five is what I said we might be able to do if we could come to terms on  
that price.

- pAqN [whispered conference with pAq0, 34 secs]
- 68 Eh - Yeah, so it would be a minimum of six hundred thousand in - in Year Three. Now what we would - what we would need to talk about, if we're talking about 'and New South Wales', is we've got sixty dollars per case now, and we were looking for a price rise in any case, so we couldn't be talking about anywhere near sixty dollars in Year Three. [4 secs]
- pCbN 77 Can I pull you back to the numbers ? You never really gave us the numbers, | We'd=  
pAqN | Um-hum  
pCbN 77 =we'd like what you want in sales, | what you would want from us, as our=  
pAqN | Right  
pCbN 77 =quota, so to speak, | for the first five years, just by the number of=  
pAqN | Um-hum  
pCbN 77 =cases; what we'd be committed to be doing with you.
- pAqN 69 Right.
- pCbN 78 We're starting with New South Wales. You said one fifty for the first year; how much for the second year ?
- pAqN 70 [aside to pAq0] That's right ? [aloud] It would be doubling.
- pCbN 79 Okay, so that'd - that's three hundred.
- pAqN 71 Um-hum.
- pCbN 80 By Year Three six hundred thousand, correct ?
- pAqN 72 Yeah.
- pCbN 81 By Year Four, one point two million ?
- pAqN 73 That's right.
- pCbN 82 And by Year Five, two point four million. Correct ?
- pAqN 74 Um-hum. [4 secs]
- pCbN 83 Could we have a sliding price scale to help us get into the market ? We start with the price now, we bump it up each year progressively, to both - for both of our benefit.
- pAqN 75 Um-hum, [3 secs] What sort of thing are you talking about ? What's our [?]
- pCbN 84 Cause we're still a little ways off in price. You're needing sixty, ex UK, we were looking at fifty five. | Could we go fifty five the first two years, =  
pAqN | Um-hum
- pAqN 76 No.
- pCbN 84 =sixty Year Three, then go to sixty five Year Four and Five ?
- pAqN 77 We've got to start at sixty. [4 secs]
- pCbN 85 You're firm at sixty.
- pAqN 78 Firm at sixty. [4 secs] [1 min 24 secs; whispered conferences]

- pCbN 86 We're just looking at the pricing, -eh-
- pAqN 79 Sure, Sure, [4 secs]
- pCbN 87 That really cuts our margin down -eh- I don't know how much advertising we can do for you, I'm not saying we couldn't make some of these numbers, but we wouldn't be able to spend much on - on advertising or those kind of things. Because that takes - we don't think we can raise the price of this product much; over the years there's going to be a lot of competition, cause the market's growing as you well know, =  
Um-hum
- pAqN 87 =Eh - [2 secs]
- pCbN 87
- pAqN 80 But as - as you know, you - you - you've been carrying our products sort as side lines for a while; it's an excellent product. It sells itself, virtually,
- pCbN 88 Well, we'd push it to the top, but - How do you - how do you feel on some of the other things we were discussing -eh- excuse me [conferences] How's the time? Six minutes more? [aloud] You know, we're meeting with another UK distributor very soon, who's four times bigger than you are, [laughter]
- pAqN 81 Ah, yes, but we have market share,
- pCbN 89 Not now you - not now we don't; that's what we're trying to get here, Eh - on some of the other items; Do you have any problem with us buying ex works, paying the freight and making our own derange- arrangements?
- pAqN 82 No, I think - I think that we could come to that arrangement, yes,
- pCbN 90 Well, what about the stock? | We're getting -
- pAqN 83 | Eh - A hundred and fifty to start with to - | in the [?]
- pCbN 91 | No, I  
meant the stock, about buying the stock ahead of time,
- pAqN 84 Eh - I think we could - we could live with that, yeah, Yeah,
- pCbN 92 So [4 secs] So, those points, on the stock and -eh- and the payment terms would be upon arrival in the UK-
- pAqN 85 That's right,
- pCbN 93 Stock every two months, | those are the things we're talking about there,  
pAqN | Yes, yes,
- pAqN 86 They are - they are just a part of the whole package, though, I mean it's the whole package we've got to finalise,
- pCbN 94 Our only concern with the numbers, [name pAqN] is the rapid jump after three years, because you're looking at just going from one hundred and fifty thousand to six hundred in three years, an increase of four hundred and fifty thousand, then the next three years it's such a much larger number; it's -eh- one point eight million,
- pAqN 87 | Um-hum  
Okay, Okay, so what we're looking at is-
- pCbN 95 We - we could agree to the doubling in the first three years, | Years Four and=  
pAqN | Yeah

- pCbN 95 =Five, I'd like to bring those numbers down, I'd like Year Four at around nine hundred - [*name pCb0#1*], what about Year Five; what are your projections ? To come to one point six ?
- pCb0# 3 That's right,
- pAqN 88 Eh - its [*4 secs*] Would that be [*2 secs*] minimum I think I could do on that is to say, [*2 secs*] We take it to Year [*4 secs*] -eh- [*4 secs*] [*whispered aside to pAq0 - 15 secs*]  
[aloud] Eh- as you said, you - you - you have more -eh- experience of the market; we - we would suggest the total market in Year - by say Year Four would be - be two point five million, or are you saying it should be more ? [*4 secs*]
- pCbN 96 It'll probably be a little more than that,
- pAqN 89 Little more than that, So say [*whispered conference 13 secs*]
- pCbN 97 I'll tell you what; as time is drawing nigh and we want to come to a=
- pAqN Um-hum
- pCbN 97 =productive decision, we'd be amenable to going back to the higher numbers=
- pAqN Yeah,
- pCbN 97 =in year Four and Five if you can do - give us a little price break the first=
- pAqN Yeah,
- pCbN 97 =two years; we need fifty five the first two years. In return for that we'll go to sixty two Years Three through Five, and increase those numbers in Years Four and Five we feel that pricing will allow us to get into the market and get=
- pAqN Um-hum
- pCbN 97 =rolling, [*3 secs*] Would that be amenable ?
- pAqN 90 If you're willing to take a hundred and fifty thousand Year One, and take it up to - We offer you a four year contract, we take it to a hundred and twelve thousand - I mean -eh- yeah, -eh- the one million two hundred thousand -
- pCbN 98 In the fourth year,
- pAqN 91 In the fourth year, [*1 sec*] Eh- we could offer you fifty eight dollars perhaps, Year One, and [*3 secs*] an eight percent increase each year,
- pCbN 99 Wait, that's the first we've talked about increases,
- pAqN 92 Well, you said
- pCbN 100 It seems a funny time to throw that out, now we're getting close -
- pAqN 93 You said - you said - you said - You said fifty five for Year One, Year Two and then go up, so I'm just suggesting that we do it annually, rather than once every two years,
- pCbN 101 We don't want to - It'll depend a lot on each year; we may not be able to take those increases. Like, right now, the market's growing but there's a lot of competition. Prices are stiff, and we can't raise the prices. The only reason we're asking for a bit of reduction the first two years is to get the product established in the=
- pAqN Um-hum
- pCbN 101 =market shar- place, and give us the margin to spend on advertising. Don't=
- pAqN Right
- pCbN 101 = think - think of it as the extra dollars going in our pocket; it's going into advertising, which is going to help both of us in the long run,

## Appendix Section 3

- pAqN 94 Um-hum Um-hum, We could
- pCbN 102 In your figure of one point two by Year Four is a bit optimistic, unless we can get some price concessions. And I'm saying, we'll - we'll spend the extra on advertising for you, [2 secs] Cause it's in our best interests to meet these goals as well, since - remember we did agree we'd pay for them.
- pAqN 95 Um-hum, What we could do on that I think is to go back to the exclusive of New South Wales.
- pCbN 103 But these numbers have been - we've been talking with New South Wales; correct ?
- pAqN 96 Mm, But I - I'm - what I'm saying is - is that -eh- I mean we know we've got a guarantee with Kangarouge for the -eh- for the -eh- fifty thousand, so that would - would allow us a little more leeway with you.
- pCbN 104 Yes. And they're very good, but they don't have the reputation we have in the rest of Australia. In that, our part of the market is a lot bigger than their part, =
- pAqN Um-hum
- pCbN 104 =there are the facts. -eh- So what - where - where does this leave us; what are we down to ?
- pAqN 97 Well, We're down to -eh- we could - we can give you, or rather we - we are willing to deal with you on the whole of Australia, at -eh- the figures that we spoke about, one hundred and fifty to one point two, and - or - and we do fifty-eight dollars in Year One,
- pCbN 105 Fifty eight in Year One ?
- pAqN 98 Fifty eight in Year One, -eh- And that would [1 sec] go up let's see [3 secs] that would be sixty three Year Two [checks figures] -eh- [2 secs] right, [2 secs] sixty eight Year Three, and seventy three Year Four, [4 secs]
- pCbN 106 [aside to tutor] You want to end the course, [to pAqN] I just don't think we can do those numbers, at those prices. That's taking a big - a big jump. Because those prices are raised to us, and we probably can't pass that on, until after the =
- pAqN Um-hum
- pCbN 106 =the third year. After the third year we can raise the prices.
- pAqN 99 Right, so -
- pCbN 107 In fact, I feel
- pAqN 100 If we talked
- pCbN 108 If we could do - if we would commit to a little more volume in the future, could we nail these prices down ? And strike a deal here that's good for us ? We want to do business with you. Right ?
- pAqN 100 Um-hum, Okay, so say
- pCbN 109 We need fifty five the first two years - we're prepared- I would propose [2 secs] fifty five the first two years =
- pAqN Um-hum [3 secs]
- pCbN 109 =the third year go to sixty, [1 sec] and we would go to sixty five the fourth year. And we'll do one point six million in the fourth year, [aside to pCbN] You think we can do one point six million in the fourth year, don't you ?



## Appendix Section 3

- pCb0\* 4 [to pCbM] Yeah, with New South Wales.
- pCbN 110 This is with New South Wales, [conferences 35 secs] [aside to pCb0\*] We've got all those things, It's now the prices, and we've got to have a decision,
- pAqN 101 Eh - -eh- we'd have to say - we'd have to say fifty eight for the first two years, and [3 secs]
- pCbN 111 And what ?
- pAqN 102 Eh - [2 secs] Yeah, Fifty eight, fifty eight, sixty, sixty five,
- pCbN 113 Well, if we take the head of hair, how about fifty eight for all four years ?
- pAqN 103 No, [laughter]
- pAq0 5 [to pAqM] That's a price reduction !
- pAqN 104 Yes, exactly. Exactly,
- pCbN 114 Well, we wanted fifty five, and you can't be - you're - you're asking us to pay three dollars more a case, on a large, large number of cases, let's not forget that=
- pAqN 114 =ladies and gentlemen, [4 secs] Um-hum
- pCbN 114 =ladies and gentlemen, [4 secs]
- pAqN 105 We - we - we can't go below fifty - fifty eight for the first two years, and then you said by Year Three things should be happening in any case, It's only -
- pCbN 115 So you're saying fifty eight -
- pAqN 106 Fifty eight, sixty and sixty five, And this is for the whole of the New S- the whole of the Australian distribution,
- pCbN 116 For everything ? If we want, fifty eight, fifth eight, sixty and sixty,
- pAqN 107 Sixty, sixty five, By - by Year Three, as you said, we would be wanting to [2 secs] -eh- see really good returns, [4 secs]
- pCbN 117 If you could lower the commitment in Year Four to one point four million, down from one point eight, [3 secs] And hold the price increase to sixty three, [2 secs] So that would have fifty eight at one fifty, fifty eight at three hundred, sixty at six hundred thousand and sixty three on one point -what did I say - one point four=
- pAqN 117 =million, [2 secs] and sixty
- pCbN 117 Along with our other terms, [to pAq0] Would that work for us, [name pCb0\*] ?
- pAq0 6 One point - sorry, One point four [2 secs]
- pAqN 108 Right, So what you're saying is, just to clarify whilst - whilst we're working the final figures out - what we're saying, to work the final figures out, is that you would take -eh- one fifty in the first year, rising to one point four; it'd be fifty - fifty eight, fifty eight, sixty, and sixty five,
- pCbN 118 Sixty three,
- pAqN 109 Sixty five, and you'd guarantee those -eh- figures, the - the one fifty, one point four, [4 secs]

## Appendix Section 3

pCbN 119 If you can come to sixty three, we'd guarantee those figures, sixty three in the fourth year,

pAqN 110 [*softly, to pAqN*] One point four million, [*conference 22 secs*]

pCbN 120 And of course - and we'd of course like the option to sign up - at the end of that=

pAqN 111 I accep-

pCbN 120 =time, of course first option to sign up again, [*2 secs*] And the other thing was, =

pAqN 112 That's right, If=

pCbN 120 =we - we'll take this much regardless.

pAqN 112 =you'll guarantee - if you'll - I'll tell you what: if you're guaranteeing those figures, one hundred and fifty to one point four, guaranteed, your yearly quota, which you will buy regardless, we'll take those figures, and give you the option after four years,

pCbN 121 And the other terms that we discussed,

pAqN 113 Which were ?

pCbN 122 We buy ex works,

pAqN 114 That's right,

pCbN 123 We -eh-

pAqN 115 That's right; that's - that's

pCbN 124 All that,

pAqN 116 That's right,

pCbN 125 We don't pay til it gets there. We take you for two months' stock instead of -

pCbN\* 5 We get New South Wales,

pCbN 126 And we get New South Wales,

pAqN 117 And you get New South Wales,

pCbN\* 6 And we get fifty-eight, fifty eight, sixty, sixty three,

pCbN 127 Yes, Do we have a deal ?

pAqN 118 We have a deal,

pCbN 128 Very good,

pAqN 7 Excellent,

E N D

# AGENCY: Transtema Topic map (topic X turn)

	EXCV DIST	NSW DIST	RIV ALS	TRGT P. A.	STCK HELD	COST EXUK	TRMS PYMT	MKTG PUSH	IMGE	MKT POS1	MARK UPS	PRCE LEVL	PRCE CTRL	CON- TRCT
[phatic] [prop]				Aq7		Aq7				Aq7 Cb				
prop	Aq8	Aq8												
open Q		Cb												
clarify	Aq9	Aq	Aq9											
ackn	Cb	Cb												
prop				Aq10 Aq11										
reject; topic shift						Cb11 Aq Cb12								
info	Cb12		Cb12								Cb12			
prop	Aq	Aq13	Aq	Aq13 Cb Aq Cb										
info; prop	Cb13	Cb13			Cb13							Cb13		
confirm chk		Aq Cb												
confirm														
topic shift; prop						=Cb14 =Cb14				=Cb14		=Cb14		
clarify Q												Aq		
signal												Cb		
reject; prop												Aq		
ackn												Cb		
expand prop														
accept; clarify Q	=Aq19	=Aq19		=Aq19										
clarify		Cb		Cb										
info (indirect)		Aq		Aq										
reject		Cb		Cb										
prop	Aq	Aq	Aq21											
invite prop				Cb20	Cb20									
clarify prop				Aq	Aq									
clarify Q				Cb	Cb									
clarify				Aq	Aq									
clarify chk					Cb									
ackn					Aq									
clarify Q					Cb									
clarify				Cb34	Cb									
clarify chk				Aq	Aq									
prop				Cb	Cb									
signal prop				Aq	Aq									
confirm				Cb	Cb									
prop				Aq	Aq									
clarify call				Cb	Cb									
ackn				Aq	Aq									
attempt clarify				Cb	Cb									
clarify Q				Aq	Aq									
restate prop				Cb	Cb									
restate prop				Aq32	Aq32									
qualif agree				Cb	Cb									
clarify Q				Aq	Aq33									
attempt clarify	cb3	cb3		cb3										
restate prop	Aq													
amend prop	Cb			Cb32	Cb32									
agree	=Cb	=Cb32		=Cb32	=Cb32									
confirm chk				Aq	Aq									
clarify Q	Cb33	Cb33		Cb33	Cb33									
vague clarify		Aq		Aq	Aq									
ackn				Cb	Cb									
				Aq	Aq									
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				Cb	Cb									
				Aq	Aq									
				Cb	Cb									
				A										

s/w topic shift

Cb37

Cb37

Cb37

Cb38  
Aq

open Q  
ackn; open Q  
info  
=open Q  
prop  
ctr-prop  
new prop  
confirm chk  
topic shift (tie in)  
topic shift

Aq44

Cb43

Aq  
Cb  
Aq  
Cb  
Aq  
Cb  
Aq  
Cb

invite prop  
invite prop  
restate prop

info; s/w topic shift  
info  
confirm chk  
confirm

Cb49

Aq  
cb  
Cb  
Aq

Cb49

Aq49  
Cb49

Aq49

prop  
clarify Q  
restate prop  
aside  
topic shift

Cb51

Cb

Aq51  
Aq51

Aq52

info  
info  
prop  
clarify Q  
clarify prop  
confirm Q  
prop  
ctr-prop  
restate own prop  
reject; info  
info  
info  
clarify Q  
clarify (interrupted)  
clarify chk  
restate prop  
ackn  
info; prop  
ackn  
new prop  
ackn  
=confirm Q  
agree; restate prop  
summary

Cb53

Cb53

cb6  
Cb

Cb54  
Cb54

Aq  
Cb54

Aq  
Cb

Cb56

Aq  
Cb  
Aq

Aq57  
Aq57  
Cb

Aq58

Aq58

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Aq58

Cb

Cb58

Aq  
Cb

Aq59

Cb

Aq

Cb

Aq

Cb

Aq

Cb

Cb65

cb

Cb

cb

Cb

topic shift  
info  
prop  
ackn  
restate prop  
counter prop

Aq65

Aq65

Aq65

Cb

Aq

Cb

Aq

Cb

restate own prop  
counter prop  
restate own prop  
agree  
summary  
summary  
summary  
summary  
ackn

Aq70

Cb

Cb74

Aq71

Cb

Aq71

Cb

Aq71

Cb

Cb75

Aq

Cb

Aq71

Cb

Aq71

Cb

Aq65

Cb

Aq

Cb

Aq

Cb

Aq

Cb

Aq

Cb

Aq

Cb

Agree and End

**CASE TWO: Agency**  
**Room: Transtema**

AquaScot    tAqN\* = Supplier, H. C. (Swedish)

Cobbers     tCbN = Distributor, C. K. (British)  
                  tCbO\* = Observer, K. N. (Swedish)

\* = non-native speaker of English

number after the speaker's alias = turn number for that speaker

-----

tCbN 1     G'day, Grace !

tAqN\* 1     Hello, love.                    Welcome to Scotland,

tCbN 2                    Hello,                    Thank you very much,

tCbO\* 1     Thank you,

tAqN\* 2     How are you ?

tCbN 3     Fine. We're fine,

tCbO\* 2     Okay,

tAqN\* 3     And you find our suggestion very interesting ?

tCbN 4     Yes, we -eh- went through it, and discussed it and -eh-

tAqN\* 4     Good,                    That's what we're here for,

tCbN 5     And -eh- we're pretty sure we can - we can do business with you,

tAqN\* 5     I understand that, I'm sure about that,

tCbN 6     Good, [ / sec ] It's nice to hear it, isn't it,

tAqN\* 6     Yeah, [ / sec ] Okay; where would you like to start ?

tCbN 7     Well, I -

tAqN\* 7     I have sent you all details about targets and so on, our prices is already there=

tCbN        Yeah

tAqN\* 7     =so I think there is only to - to go on, As we see from our point of view, there -

                 eh- spring water selling are rising, very rapidly; I think you can -eh- give me=

tCbN                                    Um-hum,                    yes

tAqN\* 7     =right on that, are you ?

tCbN 8                    Yes. I would agree with you,

tAqN\* 8     Good, [ 2 secs ] Then we like you to take care of all Australia, except the N.S.W.,  
                  New South Wales,

tCbN 9     With this, is there any particular reason that you would want to exclude us from that  
                  area ?

- tAqN\* 9 -eh- Yes, -eh- we have today a very good distributor in that area. I think you know this distributor, Kangarouge Pty. And we think that -eh- they are very=
- tCbN Um-hum, Um-hum,
- tAqN\* 9 =good, but they are locally based, to N.S.W., and you are operating all over the rest of the country, so therefore we would like to start with this type of agreement,
- tCbN 10 Um-hum, [2 secs] All right, let's see,
- tAqN\* 10 Okay ? And we set up our target for -eh- next year, to start with one hundred thousand cases. And -eh- we would like to double this each year, until=
- tCbN Um-hum,
- tAqN\* 10 =well, let us say Year Four, so the final target should be around eight hundred thousand per year after that,
- tCbN Um-hum,
- tAqN\* 11 [/ sec] I think you have - find this quite reasonable ?
- tCbN 11 Well, as I said we have discussed this and looked into it in great depth, and -eh- as we see it the - the prices are a - a bit of a problem, that you give -
- tAqN\* 12 The prices ?
- tCbN 12 The price that you quote is a bit of a problem, but -eh- perhaps we can talk=
- tAqN\* oh, m-m-m m-m-m
- tCbN 12 =about that, If you can find your - your way to look at that, we think that -eh- =
- tAqN\* yeah Um-hum
- tCbN 12 =we may be able to offer you far more than Kangarouge can do, in fact, -eh- Because there is -eh- some advantages we feel that you could gain having the single point of contact in the country, which would allow us to develop a nation-wide marketing policy, which would be to our mutual advantages, -eh- Because as you said earlier, the spring-water sales are indeed rising, and -eh- your product is taking a little=
- tAqN\* Um-hum
- tCbN 12 =over fifty percent of the existing market, We think that perhaps if we worked=
- tAqN\* Um-hum
- tCbN 12 =together over the entire country we could increase that to, you know, a potential of seventy, seventy-five percent, -eh- And if you allowed us to handle your whole distribution we think that we between us would gain far more -eh- to off- to offset - to offset this increase in price,
- tAqN\* 13 But -eh- but you must be aw- But you must be aware that we are expecting Kangarouge to take nearly forty, fifty thousand next year, So that means that you have=
- tCbN Yes,
- tAqN\* 13 =to take, if you will have the all market in Australia, you must go up to, let me see, one hundred forty, one hundred fifty thousand for the first year,
- tCbN Yes,
- tAqN\* 14 I think it's really tough for you,
- tCbN 13 But then as I said, the - the - it is less tough, if one is dealing on a country-wide basis, because then -eh- we do feel that -eh- the expansion we could develop=
- tAqN\* Um-hum,
- tCbN 13 =then, we would be looking at the whole country together, may -eh- may be workable, =
- tAqN\* Um-hum,
- tCbN 13 =especially if we link it to -eh- if we link the shipments to the sales. Because what worries us about that is that that could limit the potential sales, if - if we - eh- go for a sales quota, and limit that sale- the shipments to the sales quota, =
- tAqN\* Umm,



- tCbN 13 =and we get potential sales above our quota, then we won't have the stock to meet the demand, and so we think we could be far more flexible in that area, if you allow us to be,
- tAqN\* 15 If you will take care of the all areas,
- tCbN 14 That's right, yes, -eh- So we - we think that possibly we could - we could have a look at that one, -eh- And -eh- regarding the actual pricing of it, -eh- another=
- tAqN\* Um-hum
- tCbN 14 =concern that we do have is the fact that you - you ship it and pass on all the CIF charges to us, and we were wondering if we could look at that as well, to - to=
- tAqN\* Um-hum,
- tCbN 14 =perhaps maybe look at reducing the overall cost of what we supply it to the market, because there again if we can bring the costs down in the retail environment,=
- tAqN\* Um-hum
- tCbN 14 =then perhaps we can go for more sales; we would be looking to -eh- increase the sales in that area,
- tAqN\* 16 So in fact you are saying that the price that you are expecting to take out from the superstores today, around ninety pounds- ninety dollars, -eh- is too high,
- tCbN 15 Well, we were just looking at the potential that could be gained between the two of us by maybe dropping the price just a fraction, Not to detract from it's=
- tAqN\* Hm-m,
- tCbN 15 =quality, because it's such -eh- a high quality product that we wouldn't to detract from it, but - but there must be other people that would perhaps buy it - the margin=
- tAqN\* Um-hum,
- tCbN 15 =that mm, well, if it was just that little bit cheaper and closer to the other two brands, then -
- tAqN\* 17 I'm not - I'm not with you in that case, because our market research - We have used a very very -eh- good and -eh- and -eh- famous company, and they have make a market research and they have found out that it is possible to rise this price at around twenty-five percent,
- tCbN 16 Indeed !
- tAqN\* 18 Yes,
- tCbN 17 That would be extremely nice,
- tAqN\* 19 Yeah, In that case it means more money to you, and of course we will find out how we should share this, but I think this is the second part of our discussion, First=
- tCbN Um-hum
- tAqN\* 19 =we have to - to find out that you will take care of the part of Australia that we have suggested you, or - you are prepared -eh- to take all Australia, but in - but of course with an higher target,
- tCbN 18 Um-hum, [ / sec] Well, obviously, Because we'd have a bigger area to cover, [ laughs] and we'd be more than delighted to have a higher target for that, yes,=
- tAqN\* Ah, that's good,
- tCbN 18 = -eh- whether we could -eh- I think possibly that -eh- can- How many cases did you say that you were anticipating sending to - ?
- tAqN\* 20 Tot- totally, including -eh- N.S.W., we will calculate it with one hundred forty thousand,

- tCbN 19 Um-hum, Um-hum, And - and do you not think that perhaps -eh- New South Wales can't - can take that - that type of quota that you're looking at ?
- tAqN\* 21 I think so, yes, I think that there - the Kangarouge today is prepared to - to sell this, and -eh- [2 secs] okay, we will take this discussion with them, so if - if you take -eh- the total agency for Australia, including N.S.W., -eh- we will [2 secs] we will total less than the one hundred forty thousand.
- tCbN 20 Okay, if we -eh- if we take that then, we would therefore like to link the shipments towards the actual sales,
- tAqN\* 22 Um-hum, And -eh- what is your proposal in that line ?
- tCbN 21 Well, that -eh- we obviously go for the hundred forty thousand target but we don't limit our potential sales by -eh- linking the shipments to that; we would -eh- make the orders for the shipments based on the sales that we actually achieve,
- tAqN\* 23 Mm-m - what will that means ?
- tCbN 22 That - that - that would mean that should -eh- we get the opportunity to increase sales then we can up it, we won't be under-stocked, if you see what I mean,
- tAqN\* 24 m-m-m- But -eh- we have -eh- suggested to -eh- ship to you, I remember -eh- six months' stock ? Is that correct ?
- tCbN 23 Yes you did, That's how much,
- tAqN\* 25 Yeah, And -eh- so what we can do, [1 sec] or what you wish, You wish us to change this to six months to another - or what ? I don't follow you - your suggestion, if you see what I mean,
- tCbN 24 No, what I'm saying is that we would prefer, given the opportunity, we would prefer to -eh- link the actual shipments to the sales, as=
- tAqN\* Yes ?
- tCbN 24 =opposed to the quotas, so therefore should we say right, well the next shipment we'd like a hundred thousand cases, and then the following one, well we don't want forty we want fifty, You know, because we're selling a lot,
- tAqN\* 26 Yeah, Yeah, But one hundred thousand cases -eh- [2 secs] plus the forty thousand for -eh- for N.S.W.; that would mean that we for six months shipping to send you half of that, that's seventy thousand cases for the first time,
- tCbN 25 Ye- Yes, I was just - what I was suggesting was that perhaps we could not have the same linkage -
- tAqN\* 27 Um ? And what is your idea, for the link it; to link the four month sales, or -eh-
- tCbN 26 Yes, to link it to the sales,
- tAqN\* 28 Or five month sales, or -eh-
- tCbN 27 No, I - I think you misunderstand,
- tAqN\* 29 Yeah, I think I do that, [laughter]
- tCbN 28 Never mind [name tAqN\*], [laughter] What we mean is; what we sell -

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- tAqN\* 30 Yeah,
- tCbN 29 If -eh- we sell fifty thousand cases, then we would have the ability to link=  
tAqN\* Um-hum
- tCbN 29 =our order for the shipment to that fifty thousand,
- tAqN\* 31 Um-hum Um-hum But fifty thousand cases is what  
you're selling in three-four months time,
- tCbN 30 N- no. That - We would also have the ability to link it to sixty thousand cases or  
seventy or eighty or ninety; we wouldn't be restricting ourselves. Because if we ==
- tAqN\* Um - well -eh-
- tCbN 30 =especially if we can see potential sales rising, then we don't want to be limited by  
a six month quota that - that could not meet demand,
- tAqN\* 32 I think we must - must -eh- start - The target we have per year, with one hundred  
and forty, is that is agreed ?
- tCbN 31 It's something that we would like to do if you can come to some -
- tAqN\* 33 Yes, but in that case I must say if we sell one hundred forty per year, and then you  
want a shipment for three months or for four months or for five months, but if you  
will get down and said you only will sell ninety thousand per year; is that what  
you're saying ?
- tCbN\* 3 I think what it - what - what is trying to be said is to link the number with the  
total agency of Australia,
- tAqN\* 34 But the total - Yeah,
- tCbN 32 Um, Yes. If you've given - if we have the total agency  
then we can go somewhere towards the hundred and forty thousand ==
- Aq Um-m-m
- tCbN 32 =and we would find it more -eh- far more easy to -eh- accommodate your [ / sec]  
linkage - we would prefer a link to the sales. But if we had the age- the total  
agency, than perhaps the -eh- we can agree that -eh- we would link it to the - the  
quota,
- tAqN\* 35 Yeah-h-h -
- tCbN 33 Do you understand what we're saying ?
- tAqN\* 36 I - I understand what you're saying, But I don't understand how  
many you would like to sell per year,
- tCbN 34 I would like to sell a lot more than a hundred forty thousand; that's my objective !
- tAqN\* 37 Good ! That's - that's  
my target ! [laughter]
- tCbN 35 I can handle much, much more than that !
- tCbN\* 4 There's an agreement on that ! [laughter]
- tCbN 36 Most certainly !
- tAqN\* 38 Because I don't know if we - in -eh- our -eh- factory have some problem to -eh- send  
more than one hundred forty thousands; I believe you can have one million if you

would like,

- tCbN 37 Well, let's hope we can work that way. As we can see that the -I mean they're=
- tAqN\* Yeah,
- tCbN 37 =talking about a one and a quarter million sales, -eh- and - and -eh- of the total=
- tAqN\* Um-hum
- tCbN 37 =water per annum, and this is going to -eh- double, annually, then really we've=
- tAqN\* Um-hum
- tCbN 37 =got to -eh- increase - I th- (A), I think we have to increase the -eh- not just to increase the sales with the existing customer base, but between us we must really=
- tAqN\* Um-hum
- tCbN 37 =attack them with a good strong marketing policy. -eh- I don't know whether you=
- tAqN\* Um-hum
- tCbN 37 =agree, but I think it's quite important that we do -eh- market this product in the best possible way -
- tAqN\* 39 Of course. Of course. It's very very important to - to -eh- have a very strong market, and -eh- then you know from earlier that -eh- our policy is to do our best for -eh- our agents, to help them in the market,
- tCbN 38 Do you - do you agree though that -eh- it would be to our mutual advantage to have a - a country-wide marketing campaign, with us as your sole agent, because then you would get the maximum return on the one marketing policy [smiling voice], if you see what I mean,
- tAqN\* 40 It sounds interesting,
- tCbN 39 Good, I - I - I'm glad that's of interest. -eh- [ / sec] And you are - are you committed to - to doing any particular cam- campaigns through the forthcoming year ?
- tAqN\* 41 Well, we have - we have -eh- in fact -eh- discussed this in one of our board meetings, and -eh- -eh- we have made up a little - little thinking if we can do something in the beginning, and we will like to hear your -eh- point of this, what do you think we can do, and -eh- have you make some any calculation of what I can cost with the market, well, especially -eh- to support the market in the beginning ?
- tCbN 40 I think the - the market needs a - a - a big push. I think they need -eh- with=
- tAqN\* Yeah ?
- tCbN 40 = this particular product, we have to -eh- I think they have to be convinced that it's quality, not price, -eh- because it is the highest priced brand on the=
- tAqN\* Um-hum
- tCbN 40 =and market, and it is a quality brand. But as I said earlier on in our discussions, people have this tendency to buy cheap because they're on a tight budget or something. It would appear to them to be the more economical decision. And I think you need a - quite a strong push to -eh- probably impact them -eh- aimed at say, the - the health aspect of it. You know, this is something that although it cost's more, it is better for you. [laughter] That type of -eh- that type of attack, if you like, which currently is -eh- quite appealing to people; they can -eh- they can relate=
- tAqN\* Um-hum
- tCbN 40 =to that in this general -eh- this day and age, -eh- And I think you'd probably - It - it would require a certain amount of investment to do that, there's no doubt about=
- tAqN\* Um-hum, um-hum, um-hum
- tCbN 40 =it; you've got to -eh- What - what sort of -eh- terms were you thinking of ?
- tAqN\* 42 We have think about -eh- let me see, in - around two dollars per case to - to start -eh- this first initially support, and -eh- yeah, let me say that we do that for the first six months ? [2 secs] That we give you extra support of two dollars per case for this first six months. [2 secs]

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- tCbN 41 We were -eh- thinking that it would -eh- possibly be better to -eh- to get the major impact, although six months is a short time, we would be willing to agree to it, because we were considering a year, -eh- I think we could concede that perhaps it would be viable over six months if we could put a little bit more money into it, if we went to something like -eh- three fifty, then you would -eh- be more inclined to [1 sec] -eh- widen the customer base, [2 secs]
- tAqN\* 43 We are talking about a six-month period, seventy thousand cases, and you said three fifty, that's made two hundred and forty five; that really is not in the - that's over my budget. So let's make it another calculation; two hundred ten, I have a budget of two hundred. Okay; I think I can arrange three dollars per case.
- tCbN 42 Three dollars a case, [2 secs]
- tAqN\* 44 And for - based on the six-months sales of seventy thousand, [5 secs]
- tCbN 43 So that really just leave us to discuss -eh- the price per case, [laughs]
- tAqN\* 45 What - what- The price per case ? [laughter]
- tCbN 44 [laughing] I think that's all !
- tAqN\* 46 Well -eh- very - interesting, yes, let's u-m-m-m - yeah. Yeah.
- tCbN 45 Yeah. I think that's right, isn't it ? [laughter]
- tAqN\* 47 -eh- How -eh- [2 secs] yes ?
- tCbN 46 What were you - you -eh- [1 sec] What were you going to suggest on that ?
- tAqN\* 48 You have got my suggestion, Or haven't you - yes; CIF price sixty nine twelve=
- tCbN 47 Oh, yes. Let's see;
- tAqN\* 48 =[2 secs] - wasn't it ?
- tCbN 48 Yes, yes.
- tAqN\* 49 Um-m, [3 secs] And if we -eh- consider that -eh- the market research that we have done make it possible to take out one hundred and twelve, -eh- in the - from the superstores, and -eh- I understand from -eh- our earlier discussion that you have a mark-up at around thirty percent. So that would be another twenty five percent.
- tCbN 49 If we can in fact achieve the - the sales, as you say, -eh- I think that we would=
- tAqN\* Yeah,
- tCbN 49 =have difficulty doing that if we have to take -eh- all of the shipping and insurance, plus of course there is the twenty percent add-on that you put on top of the UK price, -eh- I think if we could look at that, then perhaps -eh- we could=
- tAqN\* Um-hum
- tCbN 49 =would reduce that to, say, ten percent markup, then perhaps we [1 sec] would find it easier to accommodate. Because the -eh- the shipping and the insurance is added actually to that price, so it would become a - a fairer price.
- tAqN\* 50 Um-hum [2 secs] What is the price for the shipping and insuring to Australia ? Twenty percent,
- tCbN\* 5 Twenty percent.
- tCbN 50 Twenty percent, you



- see. And this is where the problem lies. | That -eh- is quite a substantial amount,  
 tAqN\* | Um-hum
- tAqN\* 51 Um-hum, -eh- Let's make in that way: that if you can rise the prices on the -eh- market in -eh- to the sup-stores - superstores, with one year, to one hundred and twelve, then we have around twenty-two dollars per case to deal about. If you take fifty and we take fifty percent of that, we can go down to let us see, add on fifteen percent instead of twenty.
- tCbN 51 Which brings it up to [2 secs]
- tAqN\* 52 That will give you a better position, [5 secs] That gives you a possibility to -eh- take fifty fifty five twenty. And then you have your -eh- own markup over that, and then we take the difference between the higher market price and split this with fifty-fifty, [4 secs]
- tCbN 52 So that would mean that the / [aside to tCb0\*] Do you want to look at my figures instead of act- observing ?
- tCb0\* 6 I think maybe in this case we should also come into the subject of the pricing policy of - of - of the product in general.
- tCbN 53 Well, that's right, because the -eh- As we said, we didn't want to - we don't want to devalue the product, but because we want to retain such high country-wide sales, -eh- we did consider that -eh- perhaps we should in fact encourage the dealers to sell more, | -eh- by not taking such a high markup. And we were looking at that this=  
 tAqN\* | Um-hum
- tCbN 53 =afternoon, and -eh- we think that we can actually achieve a far better -eh- distributorship throughout the country -eh- by getting these superstores - and also going for the other - the other outlets, because the superstores aren't the only people in the world that sell your -eh- your product, and I don't -
- tAqN\* 53 | No, I understand that, but I think you will - we will sell to the other comp- to the other stores for a higher price, because superstores is the specially low price c- shops,
- tCbN 54 | The - the other - the other people won't qu- take quite so much -eh- but it's the price that it would go to the consumer, then, you see; we have to - we have to think about that, because as we discussed earlier, | to - to impact them with this new marketing policy, -eh- and make=  
 tAqN\* | Um-hum
- tCbN 54 =them aware of the healthier objectives of the - of buying the drink, then -eh- maybe we could try and lower a price to the actual end user a fraction, by lowering the wholesale price, if you like. To the - to the superstores,
- tAqN\* 54 | How much ?
- tCbN 55 [clears throat] We were thinking in terms of -eh- [3 secs] taking slightly less of a markup, and reducing our markup to something like twenty percent.
- tAqN\* 55 So you - you will take down your markup to twenty percent ?
- tCbN 56 Which we could do if we could obtain say a ten percent margin on your -eh- base price,
- tAqN\* 56 Ten percent, I said fifteen percent.
- tCbN 57 Yes; [smiling voice] As I said, if we reduce ours then perhaps you could reduce



yours,

- tAqN\* 57 [laughs] [3 secs] I don't think I have to reduce your price, because -eh- the demand in -eh- spring water today in Australia is -eh- very big, -eh- We understand that the total import water sales today is one million cases, and we are talking only of about -eh- one hundred to one hundred and forty thousand, It's not much, You must get a bit [missed?] higher -eh- potential that without going down in prices.
- tCbN 58 They - they are saying that next year there's going to be a million and a quarter and then it's going to double annually from there on in, and what frightens us is that=
- tAqN\* Yeah
- tCbN 58 =the cheaper end of the market are going to grab all - all those sales, because they=
- tAqN\* um-m-m
- tCbN 58 =they - -eh- they will hit the people that perhaps spend a little less on their -eh-=
- tAqN\* um-m-m
- tCbN 58 =normal budget.
- tAqN\* 58 Um, But I -eh- My suggestion was -eh- if you -eh- if we can do this -eh- enhanced by the twenty five percent of the market price today, we can go down to fifteen percent, But if we don't can - make this higher price, we must take out our twenty percent for the insurance and so on, That's a problem we have,
- tCbN 59 Sorry [name tAqN\*]; can you repeat that ? [laughter]
- tAqN\* 59 I can use the tape recorder ! [laughs] I said - I was suggesting that if -eh-
- tCbN 60 If you drop to fifteen percent -
- tAqN\* 60 No, I don't drop them, [laughs] I said if I've get down from twenty to fifteen percent, it was cop- it was connected to that you can rise the price for=
- tCbN 61 Yes, if-
- tAqN\* 60 =for the superstores with twenty-five percent,
- tCbN 62 Yeah, I understand that,
- tAqN\* 61 If you don't can do that, if you find this impossible, we must - eh- stand to our twenty percent because -eh- we have this cost for shipping and insurance, So we must get something back somewhere,
- tCbN 63 Yes, I understand,
- tAqN\* 62 But -eh- let me say that you can go up with this price round fifteen percent, and=
- tCbN Um-hum
- tAqN\* 62 =let me say that you take twenty five of this and we take seventy five, [laughs] You can have this fifteen percent, [laughs]
- tCbN 64 You really- I - I understand, yes, [smiling voice] And that does - and that does=
- tAqN\* 63 When it will be, [laughs]
- tCbN 64 = give us the entire country, the whole dealership,
- tAqN\* 64 We are talking about the entire country, yes, One hundred- one hundred and forty cases per year, to start with,
- tCbN 65 [softly] Seventy five, twenty five, [4 secs] [to tCbN\*] I think we've covered everything, haven't we ?

tCb0\* 8 Should have,

tCbN 66 I think - I think we've got -eh- quite a good basis to write an agreement on, Shall we run through what we've -

tCb0\* 9 I think it would be a good idea to maybe sum up the -eh-

tCbN 67 Yeah, if you sum exactly what we've -eh- agreed to,

tAqN\* 65 Yeah, And you are quite aware about that - that we of course must -eh- -eh- follow the market very very intensity during the first year or so, that if you don't can stand up to our wishes we will put in some other accomplice in the market,

tCbN 68 Yeah, I - I - I do think that -eh- a year is possibly -eh-

tAqN\* 66 I don't say a year, I said for the first three-four years,

tCbN 69 Yes, I think we need to -

tAqN\* 67 So -eh- No, no, I fully understand that it must be some difficult for the first year or so -eh- We will look in the - this for the first period of, let me see, four year ?

tCbN 70 In the long term future, I think possibly if you -eh- if taking into consideration=

tAqN\* 70 Yeah,

tCbN 70 =the - the one and a quarter million doubling over then next -eh- four years, if we - if we are looking on a longer term, -eh- mainly in Australia it's the custom to look=

tAqN\* 70 Um-m,

tCbN 70 =on a five year basis, because it's a - a long period, and that's the - that - =

tCb0\* 70 Yeah,

tCbN 70 =that's more preferable, because then you can do better planning, and if you would=

tAqN\* 70 Um-m,

tCbN 70 =do that we are quite -eh- quite comfortable with it, but five years is a much better -eh- objective, [ / sec] So shall we - shall we sum up ?

tAqN\* 70 Yah, Yeah,

tCbN 71 Is five years agreeable to you, as opposed to four ?

tAqN\* 68 Hm-m-m, four years. I think we will stand for four year, [4 secs] Yeah,

tCbN 72 It is the custom in Australia to do these over five years ![laughter]

tAqN\* 69 I think four year a very good time,

tCbN 73 Oh, all right then, [laughter] So what have we got ?

tAqN\* 70 Yes, We go through the agreement -

tCbN 74 We will be the sole agent, Yes,

tAqN\* 71 Yes, Start with the first year for one hundred and forty thousand -eh- cases, To a price -eh- of fifty five twenty, or forty eight plus fifteen percent, and you will during the first year do your best to rise the price=

tCbN 71 fifteen

tAqN\* 71 =from your today sales price ninety, with fifteen percent, which means -eh- ninety plus fifteen percent; one hundred and three and fifty. And that is the difference between these two of thirteen fifty, and of this thirteen fifty you take twenty-five

percent, that's mean three thirty eight, and we get the other one,

tCbN 75 And - in addition to that you will give us three dollars a case,

tAqN\* 72 Yes, For - for -eh- marketing support, And we're talking about six months' period, =  
tCbN marketing -

tAqN\* 72 =and after that we will - we will take up the discussion to see how we - how are we -  
how it's - you manage it and what we can do with it, so forth,

tCbN 76 And how - wh- what we can do next,  
Yes,

tAqN\* 73 Yes, Yeah,

tCbN 77 And we can go from there,

tAqN\* 74 Yeah,

tCbN 78 Okay, Thank you very much,

tAqN\* 75 Thank you very much,

E N D



info		Aq26	Aq26	
info		Cb		
		cb		
		Cb		Cb29
		Aq		Aq
prop		Aq28		
clarify Q			Cb31	
info			Aq	Aq29
prop			Cb32	
reject	Aq30	Aq30	Aq	
topic shft				Cb33
				Aq
				Cb
prop			Aq32	Aq
ctr-prop				Cb
topic shft		Aq33		
clarify Q		Cb		
clarify		Aq		
prop		Cb		
confirm Q		Aq		
confirm		Cb		Cb38
prop (vague)			Cb39	
			cb	

summary; invite prop		Aq37	Aq37	Aq37	Aq32	Aq37
confirm chk		Cb				Cb
		Aq				Aq
						Cb
						Aq
			cb5			cb
			Cb			Cb
			Aq			Aq
topic shft	Cb44					
signal	Aq	Aq40		Aq40		Aq40
invite prop				Cb		
				Aq		
info		Cb46				
clarify Q			Aq42			
clarify		Cb47		Cb47		
				Aq		
invite prop				cb		
invite prop				Cb		
prop	Aq44					

prop	Aq45	Aq45	Aq45	
reject;		Cb		
info	Aq46	Aq		
info		Cb		
=prop	=Cb50	Cb		
reject; info		Aq		
confirm chk	Cb51			Cb51
info		Aq48		
=confirm Q				=Cb51
clarify				Aq
clarify chk				Cb
clarify				Aq
clarify	Aq51	Aq6		Aq51
clarify		Aq		
prop				
clarify Q		Cb53		
clarify		Aq		
clarify Q		Cb		
clarify		Aq		
clarify		Cb		
ctr-prop	Aq54	Aq		
		Cb		
		Aq		
ctr-prop		Cb		
acceptance chk		Cb	Cb57	Cb57
ctr-prop		Aq	Cb	
reject		Cb		Aq56
new prop				Cb
info		Aq57	Aq57	
		Cb		
		Aq		
		=Cb		
new prop		Aq		Aq59
ctr-prop	Cb61	Cb61	Cb61	Cb61
? agree (interrupted)	Aq	Aq	Aq	Aq
joke Cb				
prop				
agree				
confirm				

Aq61  
Cb  
Aq

AGREE AND END

**CASE TWO: Agency**  
**Room: Volvo**

AquaScot vAqN\* = Supplier, P. W. (Swedish)  
 vAqO = Observer, B. H. (North American)

Cobbers vCbN\* = Distributor, J-L. D. (French)  
 vCbO\* = Observer, G. L. (Swedish)

\* = non-native speaker of English

number after the speaker's alias = turn number for that speaker

- 
- vAqN\* 1 Well, welcome gentlemen. It is -eh- a pleasure to be here and -eh- -eh- we would like to -eh- discuss with you an expansion - an expansion on the Australian market.
- vCbN\* Um-hum
- vAqN\* 2 Eh - as you are aware of, -eh- your -eh- present sale in Australia is thirty thousand, and -eh- what we would like to discuss with you is to increase this sale by -eh- -eh- seventy thousand. So -eh- our total market expectation is a hundred thousand next year, and you'll get the exclusive rights for all states, except for New South Wales. So -eh- what what do you say about that ?
- vCbN\* Um-hum
- vCbN\* 1 So, so - what do you mean, I mean it's - a -eh- so - Right now have -eh- we are reaching thirty thousand cases a year. I just want I mean to summarise I mean you know, what you - you've mentioned - -eh- You're aiming to I mean, to move to a hundred thousand cases a =
- vAqN\* Yeah, okay.
- vCbN\* 1 =year, right ? And a hundred thousand - at a hundred thousand cases a year, right ?
- vAqN\* 3 Yes, A hundred thousand cases.
- vCbN\* 2 Okay, on Year One, Year Two, it's a hundred thousand cases, right ?
- vAqN\* 4 Well, we expect -eh- a sales increase by fift- by hundred percent each year.
- vCbN\* 3 Hundred percent ! [laughs] That's quite a lot ! [laughs]
- vAqN\* 5 Yes. So over 4 years we're talking - at the end of year four we expect -eh- a sale of eight hundred thousand, yes.
- vCbN\* 4 Better get the agent [inaudible; laughs]
- vAqN\* 6 Oh, yes.
- vCbN\* 5 Okay, -eh- A few things. We'll talk later about this -eh- this -eh- level production of sales, from Year One to Year - sorry, you want to make it on four years, right ?
- vAqN\* 7 We think it would be possible, yes, and -eh- of course -eh- we have to do some marketing efforts and we are prepared to assist you.
- vCbN\* 6 Okay, -eh- before very long this sales scale I mean -eh- first of all, we'd like to talk about the price. I mean right now we are - you are selling your products in this spring water at forty eight dollars, right ? That's correct ? You take=
- vAqN\* Yes



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- vCbN\* 6 =already twenty percent -eh- margin profit on that, right ? And shipping and insurance, which is - represent twenty percent, right ? We reach a price right now -
- vAqN\* 8 No that's - that twenty percent is our markup. So -eh- And on top of that twenty percent for insurance,
- vCbN\* 7 Yeah; you have - you have a margin of twenty percent plus twenty percent for shipping and insurance, right ? Correct ? Which makes a price of sixty nine point twelve.
- vAqN\* Yeah
- vAqN\* 9 Yes, that would be correct,
- vCbN\* 8 Thank you,
- vAqN\* 10 And you, I understand add up another thirty percent, so the average market price is=
- vCbN\* yes-s-s
- vAqN\* 10 --eh- ninety dollars a case. Today,
- vCbN\* Um-hum, Um-hum, Um-hum,
- vCbN\* 9 Okay, -eh- I understand also that you are requesting I mean to hold us - I mean for us I mean to hold a - a big stock of Spring Water in Australia, [3 secs] I understand that your demand is for - for 6 months' [2 secs] stock,
- vAqN\* 11 Yes, yes. That's correct, Yes,
- vCbN\* 10 That's correct ? Eh - ? Now, I want - I mean, I want to mention that because I mean to tell you that on our side I mean we - we can hardly I mean accept to have a six months' stock in Australia, -eh- And I mean to me it's quite unreasonable, because -eh- you know that -eh- shipping lines have developed I mean quite some good service between UK and Australia, and I think that we have now more than a weekly service to Australia from UK especially because of the historical reasons. So I think that -eh- it's not a matter of - of the length of the trip between UK and Australia, but the frequency of -eh- service, And so I think=
- vAqN\* 12 Okay-
- vCbN\* 11 =there is at least one ship per week which can deliver and you know there's the competition in shipping, I mean it's quite big so we can always I mean try to negotiate [unclear], right ? -eh- So I think that -eh- -eh- we can help - we can receive, I mean if you can spread I mean you production, which I think is possible especially in the water business, -eh- we [1 sec] could receive spring water every week, or say every two weeks. And I think we couldn't accept more than a month stock, which in my mind is quite reasonable, Not a six months,
- vAqN\* 13 Okay; We - we - we are prepared to -eh- take that into consideration -eh- What our pra- prime target here is to -eh- increase the sales in Australia, and -eh-
- vCbN\* 12 Okay - Okay, I mean we just re - considering I mean -eh- -eh- a sales scale, and based on this scale I mean we can define what will be - what we'll need in stock in Australia. What we need here,=
- vAqN\* Yeah
- vCbN\* 12 Right ? But I think that - I mean one month's stock I mean can be the first year. For example I don't know I mean; four thousand cases -eh- Year Five it can be ten thousand cases - it depends on your scale per year, right ? But I - it's not=
- vAqN\* Okay
- vCbN\* 12 =just a question of having a month's stock, which is for us a maximum we can afford because it's quite a lot of money I mean -eh- which is immobilised and -eh- which we - too much to have a six months' holding.

vAqN\* 14 Yeah, Okay.

vCbN\* 13 Okay ? [4 secs] Now, regarding your price. Your price right now is forty eight, right ? Plus twenty percent. Okay; this makes quite some money, a lot of money, - eh- especially we want I mean -eh- cover - as the main distributor in Australia we want to keep, I mean to maintain the policy, you know the pricing policy from Spring waters, because I fear that if the price increased too much, -eh- we may be forced I mean either I mean to look for another brand maybe, I mean because well, we know that for instance we - of course you - we we- are dealing already with you that we - you have competitors, of course and being one of the main distributors I mean we are very often -eh- -eh- visited by your competitors, of course, trying to go through our cover to implement their own product. Right ? Throughout Australia, Except=

vAqN\* Yeah,

vCbN\* 13 =the territory of the New South Wales, where we have not yet sell -eh- I mean your product.

vAqN\* 15 And we expect by -eh- -eh- pushing out a hundred thousand the first year to a hundred thousand the next year etc. that -eh- the market price can be increased from ninety dollar a case to a hundred and twelve. And this again is something we=

vCbN\* Okay -

vAqN\* 15 =have to -eh- -eh- look upon, bearing in mind -eh- the additional costs for marketing and we have to pay for this like that.

vCbN\* 14 Okay. Marketing is something we have to come now, because -eh- -eh- you are asking us I mean to sell a hundred thousand cases a year, which is - you know, in my opinion is too much compared I mean with the marketing

vAqN\* Yes

vCbN\* 14 support we have right now from your company. It's definitely too low and right we can't afford with this support I mean to sell more than fifty thousand - fifteen thousand - fifty thousand cases a year.

vAqN\* 16 So, -eh- in addition to what the costs are -

vCbN\* 15 It's I mean - I mean the sales - our total shows directly proportional to the marketing support of course, marketing support has the strongest effect on the sales. The more support you put, I mean the more we will be able I mean to sell=

vAqN\* Sure

vCbN\* 15 =-right now, I'm based - and I can tell you we have plenty of experience because we are various - we are selling other products similar to spring - not I mean in=

vAqN\* Um-hum

vCbN\* 15 =competitive -eh- competitive product, but other products- I mean we need a strong support. And we cannot accept, based on the marketing support we have right now, and as before I mean what is your -eh- power in increasing your - your marketing support, but right now in Australia and compared with what our competitors, other distributors are doing, we cannot sell more than fifty thousand cases a year, definitely.

vAqN\* 17 You say fifty thousand, that's a maximum,

vCbN\* 16 Fifty thousand cases a year, that's a maximum. Fifty thousand cases. We need a month's stock, and -eh- well we do like it if you could consider, because that's something else too; you calculating, you are calculating your margin=

vAqN\* Yes ?

vCbN\* 16 =on the forty dollars, forty-eight dollars, sorry - plus the freight and other charges like insurance, right ? So of course I mean it increase your - your - your margin, okay ? -eh- We could, for instance, decide - because I think that=

vAqN\* Yeah

vCbN\* 16 =eh- well, we can -eh- in Australia we can also I mean negotiate freight rates, right



- vAqN\* 23 We can give the product a completely different profile.
- vCbN\* 23 I respect very much I mean the product I mean the spring water you are - you are producing I mean in Scotland, right? But again, I mean, life is difficult and -eh- we - I mean, we have also spring waters, I mean -eh- producers which are coming - who are coming by us and trying I mean to use us as distributors, right? Second thing; if we decide to increase the price, what will -eh- happen? It's more or less a [indistinct] product, right? Which means that -eh- -eh- the Austrian wait a moment -eh- The Australian government may force us I mean to -eh- start for=
- vAqN\* Um-m-
- vCbN\* 23 =instance a local plant to receive their spring water, I mean to prepare, and to bottle it in -eh- in -eh- Australia just to push I mean the labour, for instance, the labour force, and to - to start a new - a new business, and -eh- you understand what I mean? And to reduce the price, Because of course I mean if it's coming in bulk, in container- in containers, it could be cheaper I mean to bottle it locally, not doing it in Scotland.
- vAqN\* 24 Then - then you're actually decreasing -eh- your costs, And
- vCbN\* 24 The point- No. What I mean is that we don't - we cannot increase too much I mean the price, because I mean we cannot - if we increase at all the price right now, because I mean it may lead to some other action, I mean just like the one I mentioned to you.
- vAqN\* 25 But you also mentioned that -eh- you think you are able to negotiate better freight rates which -eh- again would -eh- bring your costs down, and which=
- vCbN\* 25 Not enough better.
- vAqN\* 25 =would give you a better profit, so you would be able to -eh-
- vCbN\* 26 Okay Mr Acquascot, I would be prepared - because of course you see, I think you see the advantage of calculating your margin not only on forty eight dollars, but also on -eh- on the- on the - on the freight, Correct? Okay? This is very -eh- important, It makes a lot of influence, Okay? =
- vAqN\* Yeah,
- vCbN\* 26 =what we would like is to -
- vCbO\* 1 [to vAqN\*, referring to tape recorder] I'm going to stop it.
- vAqO 2 Fine.

## B R E A K

- vCbN\* 27 Okay, -eh- [4 secs]
- vAqN\* 26 I have to look at these -eh- volumes, because if you're only saying fifty thousand for the first year, -eh- that means that -eh- the expected -eh- revenue would be only half of what we have based our calculations on, So -eh- we have actually=
- vCbN\* Correct,
- vAqN\* 26 =to -eh- renegotiate the price you get from us here of -eh-
- vCbN\* 28 How could we jump, I mean for -from the thirty thousand cases a year to a hundred thousand cases a year right away like that? This is actually quite impossible, it's more than - how much percent; quite a lot.
- vCbO\* 2 Three hundred percent.

- vCbN\* 29 Three hundred percent. You see, it's incredibly high. I think I mean if you want=
- vAqN\* How can -
- vCbN\* 29 =really I mean to develop this market, we ought maybe to make it a little bit slower and then make sure that by Year Five we can reach eight hundred thousand dollars by - eh- eh- reasonable policy, and -eh- bigger supp- support from your market meanwhile. Again, I mean I cannot commit for more than fifteen thousand -eh- fifty thousand cases a year based on the actual marketing support. [7 secs]
- vAqN\* 27 Well, I would say that -eh- you actually can -eh-
- vCbN\* 30 Besides - yeah ?
- vAqN\* 28 Eh - fifty five thousand would be an absolute minimum. On the volume side,
- vCbN\* 31 Based on a price of ? Forty eight ? [3 secs] Lower price.
- vAqN\* 29 Well, we have to take this marketing -eh- effort into consideration here, so -eh- [quietly, writing] Let's see, what does that make -
- vCbN\* 32 You know, what -eh- I don't know if I mentioned it but we would like also to get better price for you - from you; I mean from forty eight to forty dollars.
- vAqN\* 30 Well, then really we have to reconsider the whole -eh- package here, because -eh- I mean, we also, we are already -eh- -eh- having a good deal with other distributors,
- vCbN\* Um-hum
- vAqN\* 30 and -eh- at those volumes and a lower price then I think that -eh- [/ sec] we don't have a deal.
- vCbN\* 33 Something - something we have to discuss, or maybe it's not something where you might have discussion for you, is that you're asking us I mean to pay when the cargo is shipped from Scotland, correct ?
- vAqN\* 31 Yes.
- vCbN\* 34 Which is also completely unacceptable to us. Because of the length of the trip.
- vAqN\* 32 Well, I mean it's tradeable, -eh- the insurance and freight. Either you buy for -eh- [2 secs; looks at papers] You can buy at -eh- fifty seven point six in the UK or you can -eh- buy it for sixty nine point nine -
- vCbN\* 35 Well, normal - which - normal accommodation, credit accommodation, or what ? The consignee the buyer, which is Cobber, right ?=
- vAqN\* Mm-m-m
- vCbN\* 35 =should pay upon the receipt of the cargo in Australia. We should use a system of a letter of credit, right ? which you put it through your bank, which is received by our bank in Australia, and when the cargo is discharged, I go to the bank and I pay the total value of the production, of the freight, the insurance. Against the receipt of the bill of lading - with the bill of lading I can pick up the cargo. Right ? So I think we should implement the procedure. Because I can't afford I=
- vAqN\* Um-hum.
- vCbN\* 35 =mean to pay you I mean when - before the cargo is -eh- shipped from -eh- Scotland. This is impossible.
- vAqN\* 33 But you have to accept to have -eh- a - a stock with our product.
- vCbN\* 36 A stock ?



- vAqN\* 34 A stock which we -eh- have to ship down to you, so that you constantly have a stock, I mean how are we otherwise going to -eh- -eh- reach the target, or -
- vCbN\* 37 I tell you that a month -eh- a stock of one month is -eh- is -eh- quite sufficient.
- vAqN\* 35 A stock of one month ?
- vCbN\* 38 One month, yes, [3 secs] Well, I think it's reasonable, it's - to- to have this stock of one month, because it would be enough, due to the frequency of sailing I mean from UK to - to Australia. Besides that, I mean we - we think we should implement the system of a letter of credit by which I pay my bank in Australia which later -eh- I mean immediately, I mean pay your bank and you receive your money, your credit, right ? [ / sec]
- 39 In this case I mean I could reconsider also the price of forty dollars. I mean you want forty eight, I mean we are proposing forty dollars; we can make some economic allowances.
- vCbO\* 3 Economic allowance.
- vCbN\* 40 Last but not least -
- vAqO 3 [to vAqN\*] I was going to say, you want to - 'cause I - I got to talk to you a second, too. Step outside for a second ?

## B R E A K

- vAqN\* 36 Okay, let's go through your -eh- offer once again.  
vCbN\* yes yes.
- vCbO\* 4 [to vAqO] We'll put up in here.
- vAqO 4 Yeah, everybody in here tonight, yeah.
- vAqN\* 37 Eh - so you are asking us to cut the price by sixteen percent. -eh- What do we get in return for that ? I mean -eh- there's no incentive for us just to cut our price to you, -eh- One month's stock reduction -eh- or - or - or retaining is -eh- =  
vCbN\* Um-hum
- vAqN\* 37 =also something we could discuss, but the question is what - what are you prepared to give us in return ? -eh- If we look at the -eh- fifty thousand, -eh- that is a level which we already today consider being too low, so -eh- we would like have a commitment from you in order to increase that, -eh- The letter of credit; -eh- we would like to discuss that in terms of relating it to this commitment to the volumes rather than just -eh- invoicing on actual volumes. And furthermore, if we=  
vCbN\* Um-hum
- vAqN\* 37 =look at the marketing support, -eh- our calculations based on the volume of a hundred thousand indicate actually that -eh- we have a marginal cost which has to be covered by something slightly, you know -
- vCbN\* 41 Yeah; I'm going to help you. By -eh- asking us to sell a hundred thousand cases you will be able to spend more money on marketing support, is that right ? More or less what you are saying I mean different; the more you sell I mean, the more you can put some marketing support. Is that so ?
- vAqN\* 38 Yes but what do we get in return for that ? I mean if we do put in all the money, what are the tradeoffs ?



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- vCbN\* 42 The name of Cobber, [*laughter*]
- vAq0 5 Oh, that,
- vCb0\* 5 The big stock that we keep for you,
- vCbN\* 43 Yeah, yeah,
- vAqN\* 39 Well, you've already reduced this stock for us -eh- so-eh-
- vCbN\* 44 What about the New South Wales ? I mean, are you prepared I mean to give us the sales ? [*2 secs*]
- vAqN\* 40 -eh- We [*1 sec*] could very well consider -eh- the New South Wales, but that would of course -eh- give some indication on the expected volume -eh- the price, =
- vCbN\* Um-hum
- vAqN\* 40 =and again, -eh- taking the marketing support into consideration, we have -eh- the marketing costs, which we have to - to cover,
- vCbN\* 45 Okay, -eh- As far as the price is concerned, I mean do - do you make any offer, or -
- vAqN\* 41 Well, as far as the price is concerned, -eh- from our point of view
- vCbN\* 46 well, it dep- it depends maybe on the number of cases, of course, [*3 secs*]
- vAqN\* 42 You want to reduce the number of cases further below where you -
- vCbN\* 47 No, no, no, no, no; No, what I mean is that-eh- the more we can sell, I mean the more you can accept the reduction in price, I don't know, [*2 secs*]
- vAqN\* 43 But we - [*laughter*]
- vCb0\* 6 You have a offer for us ?
- vCbN\* 48 You have an offer ?
- vAqN\* 44 -eh- [*3 secs*] the offer - We can offer you New South Wales, -eh- But -eh- we would then -eh- [*whispered conferences; 25 secs*]
- vCb0\* 7 Should we stop here for a moment ?

## B R E A K

- vAqN\* 44 What would you say about -eh- -eh- the price of forty eight dollars -eh-; we are prepared to give you New South Wales; -eh- and -eh- at an initial volume of a hundred and twenty thousand boxes,
- vCbN\* 49 My God, a hundred and twenty thousand ? You want us to move from -eh- fifty thousand cases - we are prepared I mean to do for the time being, up to a hundred=
- vAqN\* Well
- vCbN\* 49 =and twenty thousand,
- vAqN\* 46 The current sales in -eh- -eh- New South Wales is twenty thousand, so actually -eh- -eh- the raise of -eh- twenty thousand from our predicted hundred thousand is -eh-

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very low.

- vCbN\* 50 Okay. Can I answer to this, I mean as regard to the amount of cases and so ? As I told you, I mean - well, right now I mean we are selling thirty thousand a year, right ? Okay ?=
- vAqN\* Yes,
- vCbN\* 50 =-eh- You wanted to have a hundred thousand cases a year. Okay, we counter-proposed fifty thousand a year which for us I mean, based on the -eh- present actual marketing support, which again this is very important, we consider that we cannot sell more than fifty thousand cases. Okay. Considering that you give us New South Wales, we can go up to sixty thousand cases a year. [3 secs] Sixty thousand - thousand cases a year, bearing in mind that by Year Five we are reaching anyway the level of eight hundred thousand cases. That's a commitment - a commitment from us. We commit to this figure to Year Five. [4 secs]
- vAqN\* 47 Well, a volume of sixty thousand; that is less than we're actually selling on the market today, so -eh- that's no deal at all for us.
- vCbN\* 51 Okay, so I mean you have thirty thousand right now, cases a year,  
And New South Wales is twenty thousand, twenty thousand more=
- vAqN\* 48 Yes, but we have - other distributors -
- vCbN\* 51 =makes fifty, right ?
- vAqN\* 49 Actually we have twenty five thousand more, so -eh-
- vCbN\* 52 You said - you mentioned twenty thousand.
- vAqN\* 50 No, you did.
- vAqN\* 6 There's other distributors, other than you right now that's selling our -
- vAqN\* 51 You're having thirty thousand and we are having two other distributors additionally, twenty five thousand,=
- vCbN\* Um-hum; um-hum.
- vAqN\* 51 =and -eh- the -eh- New South Wales is probably -eh- twenty thousand today, and -eh-
- vCbN\* 53 Okay, I propose you a deal; let's make it seventy five thousand. Always with the commitment, not on four years eh ? on five years, because frankly speaking on four years we won't be able to do this, but on five years, on Year Five we will reach eight hundred thousand cases. That's the maximum I mean we can afford.
- vAqN\* 52 Do you say seventy five to start off with -
- vCbN\* 54 Seventy five, and then reach eight hundred thousand by Year Five. With the condition of course that -
- vAqN\* 53 Sorry, once again; by Year Five ?
- vCbN\* 55 We reach eight hundred thousand as you want to us.
- vAqN\* 54 Well, because of the New South Wales, -eh- we would like rather to see the volumes to be [3 secs] one - one million.
- vCbN\* 56 One million !
- vAqN\* 55 Yes, instead of eight hundred thousand. [2 secs]

- vCbN\* 57 If you want to do that, I mean we have to reduce the price, I mean, forty eight dollars is just not acceptable to sell one million bottles, And naturally it=
- vAqN\* That, I mean - mm-m -
- vCbN\* 57 =depends on the conditions, I mean we - we said that here; I mean, we want a letter of credit, -eh- a price of forty dollars, one month's stock, we start with seventy five thousand cases a year, we agree for one million bottle.
- vAqN\* Yeah -
- vCbN\* 58 Will you accept that ?
- vAqN\* 56 I can accept that if -eh- at a price of forty eight dollars, provided that you take care of the marketing,
- vCbN\* 59 Forty eight dollars will be too much, You increase by two hundred thousand -eh- cases right, which makes a big - much bigger turnover, so you can afford anyway to spend much more on the marketing, And you have to pay for the marketing, I mean you are better I mean in position than I, I mean, to - to - to - to bring the marketing support, Marketing support is something that cannot be brought by the distributors, it has to be brought by the people who are producing the product, Because they know much better than - than we know it, and we need the support for us,
- vAqN\* 57 On the other hand, you have reduced your stock and -eh- we haven't yet agreed upon - eh- the invoicing terms, so if we say that we invoice upon -eh- -eh- by letter of credit, then actually -eh-
- vCbN\* 60 But reducing the stock -eh- to - from three month to one month doesn't mean a loss for you, because you just have to produce according to the frequency of sailings. So it doesn't mean anything, It's not -eh- I mean I mean, it's just=
- vAqN\* 58 But we have to cover our
- vCbN\* 60 =that we want to avoid to have so big stock I mean in Australia, You just have to - eh- adjust your production to the consumption in Australia, based on the frequency of sailings we have from UK to Australia, [ / sec]
- vAq0 [to tutor] Is it time ? We're not ready yet,
- Tutor: Two minutes,
- vAqN\* 59 I'm prepared to -eh- go down -eh- to a price of forty five -eh- provided that=
- vCbN\* Um-hum
- vAqN\* 59 =you then take care of the marketing support,
- vCbN\* 61 Okay, I'm going to make you a counter proposal; I can go up to four - to forty five dollars, all right ? Okay ? Provided that we maintain one month's stock, we=
- vAqN\* Um-hum
- vCbN\* 61 =start with seventy five thousand cases a year, up to one million bottle- one million cases in Year Five, We -eh- get of course the New South Wales sales, all right ?=
- vAqN\* Yes Um-hum
- vCbN\* 61 =We have your marketing support, This is definitely I mean something which must be done by the producer not by us; it's important, And there's the letter of credit, which is essential, We cannot afford I mean to pay you before the cargo has left Scotland, This is impossible, [ 2 secs] [to vCbN\*] You have to write, because if not I'm going to forget the terms, [laughter]
- vAqN\* 60 Well, in that case, I would say that -
- vCbN\* 61 'a case of the spring waters, spring waters', yes ? [laughs]

## Appendix Section 3

vAqN\* 61 Yeah, - then -eh- we would like to have the option to terminate the whole agreement if you don't reach the target levels.

vCbN\* 62 Okay, okay. We give it, okay.

vAqN\* 62 Okay, [laughter]

[general murmured review of final terms; 15 secs]

vAqN\* 63 I think we made a very bad deal !

E N D

AGENCY: Hewlett. MARKETING TURNS

	EXCV DIST	NSW DIST	RIV ALS	TRGT P.A.	STCK HELD	COST EXUK	TRMS PYMT	MKT6 PUSH	INGE	MKT POST	MARK UPS	PRCE LEVL	PRCE CTRL	CON- TRACT
152 turns														
prop						Cb45				Cb45				
aside							aq				aq			
topic shft/open Q								Aq64						
shft (misunderst)										Cb46				
re-shift								Aq65						
								Cb		Cb47				
topic shft						Cb48		Cb						
						Aq								
						Cb								
restate prop						Aq								
				Cb50						Cb50				
prop								Aq						
clarific Q								Cb						
restate prop								Aq						
								aq						
expand prop							Aq70	Aq						
vague agree							Cb	Cb						
lg clarif								Cb						
								Cb						
confirm chk							Aq71	Aq						
								Cb						
								Cb						
assume agr'mt								Aq						
								Cb						
										Cb54				
										Aq				
										Cb				
open Q						Aq74	Aq74	Aq						
								Cb						
revive prop Aq59					aq31	aq31	aq31							
					Aq	Aq	Aq							
reject						Cb	Cb							
										Cb57				
						Cb								
long pause						Aq		Aq						
ctr prop					Cb59	Cb								
prop \$ 2 mktg					Aq	Aq	Aq78	Aq78						
								aq						
								Aq						
summary prop					aq35	aq35	aq35	aq						
renom prop					aq37	aq37	aq37	aq37						
					Aq	Aq	Aq	Aq						
					aq	aq	aq	aq						
qualif. agreem't					Cb61	Cb61	Cb61	Cb61						

8 turns

[illegible]

18 turns

clarify Q				cb27
confirm		Aq100	Aq	
cross-purposes	Cb69			

25 turns

[no resolution; decide to 're-discuss' later]

## Hewlett Agency MARKETING TURNS

hAqN\* = J. P. (Swedish)

hAqO\* = S. C. (Swedish)

hCbN\* = J. V. (French)

hCbO\* = B. F. (Swedish)

[152 TURNS]

hCbN\* 45 Yeah. To - to -eh- [3 secs] we calculated forty. Definitely is requested to - to -  
 eh- to increase on -eh- to get a nice share and a nice improvement

hAqO\* 29 [whispers to hAqN\*]

hAqN\* 64 What are your marketing plans ? Do you have any specific marketing plans for -

hCbN\* 46 Yes, we have good - good prospects for - for next year. We - we expect to - according  
 to the marketing team we - I mean the marketing team is forecasting a two p- a two  
 point five increase a year, per year, which is encouraging -

hAqN\* 65 But have you planned to do any specific marketing effort ?

hCbN\* 47 Yeah, -eh- We are very -eh- well introduced, I should say -eh- on the - in the -eh-  
 supermarkets, -eh- in the areas we cover, and we have launched a very successful -eh-  
 advertising campaign, and -eh- this will definitely lead to a - some -eh- concrete  
 improvement.

hAqO\* 30 [aside to hAqN\*] If we can -

hCbN\* 48 But we - we - -eh- made this campaign in the - with the idea or with the hope to - to  
 - to - to -eh- get from you a substantial decrease in the - in the price or -eh-  
 [2 secs]

hAqN\* 66 So what you're saying that if we give you good - give you fort-

hCbN\* 49 If - if - okay, if we - eh ?

hAqN\* 67 If we give you a price of forty dollar per case ex UK -

hCbO\* 21 Yeah ?

hCbN\* 50 With the -eh- -eh- big campaign we -eh- or a big promotion we made these last few  
 weeks, we should be able to -eh- obtain or to - to - to - to reach the goal -eh-  
 [2 secs]

hAqN\* 68 [softly to hAqO\*] Okay. [aloud] What you're saying is that you will obtain the  
 marketing cost yourself then.

hCbN\* 51 Beg pardon ?

hAqN\* 69 The marketing cost will be obtained by yourself, then. [2 secs]



- hAq0\* 31 You - you will pay -
- hAqN\* 70 We deduct the CIF price with [*Ect* ?] to forty dollars a case UK port, you sup- you pay the - the -eh- marketing cost yourself,
- hCbN\* 52 Yeah, I mean -eh- we - we- intend, with this -eh- -eh- decreasing price we intend to launch a new campaign, big campaign | -eh- to | -eh- stressing that the=
- hAqN\* |okay  
hCbN\* 52 =the - the -eh- this is a new area for - area - era ? era ? [*laughter*]= |so
- hCb0\* 22 'Era',
- hCbN\* 52 =era, for the AquaScot product-
- hAqN\* 71 Yeah, So actually by - by sh- lower - lower that price, we give you better
- hCbN\* 53 Yeah, we launch a new |campaign,
- hCb0\* 23 |And -eh-
- hAqN\* 72 |Okay, and you get eff- efforts to - to market at |cost,=  
hCbN\* |Yeah,  
hAqN\* 72 =okay, so that includes that,
- hCbN\* 54 Believe me, -eh- your product will rocket,
- hAqN\* 73 Okay,
- hCbN\* 55 And sales - sales will rocket,
- hAqN\* 74 Okay, [*2 secs*] What other things do we need to talk about when we come to the prices here ? We have the -eh- [*2 secs*] -eh- we all agree on that ?
- hCbN\* 56 |Ah, So it will -
- hAq0\* 32 |Well, we - we - Did we agree upon - I mean, [*2 secs*] |We would rather - we would=  
hAqN\* |Ah,  
hAq0\* 32 =rather have a CIF price of - say a CIF price sixty nine point twelve, but -eh- we can agree to four months' stock. If - if we get sixty nine point twelve you get four months' stock and payment on arrival,
- hAqN\* 75 Yeah, But then we - we - we -
- hCbN\* 57 I guess we - we - we can't live with that, We can't live with that, If - if we want to and consequently if you wanted to have your - your product, -eh- I mean -eh- rocketing, |or sales rocketing, we definitely need something on the price,
- hAq0\* 33 | [*whispers to hAqN\* =*]
- hAqN\* 76 [*aside to hAq0\**] Yeah, but they should do that themselves,
- hAq0\* 33 =Sh-h-h-h,
- hCbN\* 58 We - we definitely need to have something on the - I mean, some decrease in the - in

the - a decrease in the - in the price, to - to - to - be able to - to launch this - this -eh- campaign,

hAqN\* 77 Yeah, [6 secs]

hCbN\* 59 So - so for- forty, for- we would be - we would be -eh- -eh- we would be agreeable to - to - to come back on the - on the stock, We were requesting -eh- we were requiring -eh- no stock at all; we would be ready to accept the four months' you - you - you proposed, but in exchange we definitely need a reduction in the price,

hAqN\* 78 Yeah, Well, I think that we'll be - we would like to suggest sixty nine twelve - you -eh- actually - CIF price, the payment on arrival, four month stock, and=

hAqO\* Yeah  
hAqN\* 78 =and you have - we will support you with two dollars in the marketing effort, stock, and our -

hAqO\* 34 Yeah, Two dollars per case,

hAqN\* 79 Two dollars per case in marketing efforts,

hAqO\* 35 See ? [laughs] Not bad, eh ? [laughter] [2 secs] If we get sixty nine point twelve, and the target, you get four months' stock only, instead of six months, and we get payment at arrival, and you al- we also contribute with two dollars per case in marketing efforts,

hCbN\* 60 So, We need some -eh- some -eh-

hCbO\* 24 calculations,

hAqO\* 36 Please, go ahead,

[whispered conferences; 1 min 4 secs]

hAqO\* 37 Okay, So what do you -eh- think about -eh- our offer ?

hAqN\* 80 Our offer ? [laughter]

hAqO\* 38 Okay ?

hCbN\* 61 Okay, but I ge- I ge- -eh- No, We would - to be - to be frank, we would be agreeable to your - maybe to [name hAqO\*]'s nice proposals, if on the other hand we obtain the -eh- full representation,

[8 TURNS] [Recap of proposal, item by item, plus South Pole joke]

hAqN\* 85 Four months - we cut the stock down to four month, and payment on arrival, I think that's what we agreed on, Okay ?

hCbN\* Um-hum,

hAqO\* 41 And also the two per case in marketing contribution,

hAqN\* 86 Yes, Marketing contribution two dollars,

hAqO\* 42 Per case,

- hAqN\* 87 | So that is - that's the landed cost - that's the landed cost.
- hCbN\* 63 | That's to - to -eh- to launch the -another big campaign,
- hAqN\* 88 Hm ?
- hCbN\* 64 The two dollars is | -eh- for us to help the | -eh- launching the marketing campaign  
hAqN\* | for | marketing right
- hAq0\* 43 Right, Yes,
- hAqN\* 89 Oh yes, It's a very important thing, I mean | -eh-
- hAq0\* 44 | Yeah, We realise - | we realise=  
hAqN\* | Yes,  
hAq0\* 44 =that you - you have to get a good start here,
- hAqN\* 90 [*clears throat*] [*3 secs*] And then we have to discuss the retail price,
- hAq0\* 45 Yeah, Maybe we should leave this for - in the meantime, and - and - and discuss the  
retail prices, and the | -eh-
- hAqN\* 91 | the margin,
- hAq0\* 46 And the margin, yeah yeah, yeah,
- [17 TURNS]
- hCb0\* 27 You want to increase that ?
- hAqN\* 100 The retail prices | I mean all this efforts we put in to that supporting -eh- -eh=  
hAq0\* | Yeah,  
hAqN\* 100 =marketing support,
- hCbN\* 69 But the retail price is - is already sixty nine,

[24 TURNS]

E N D



# Pieda Agency: MARKETING TURNS

pAqN = S. S. (British)  
pAqO = B. M. (North American)  
  
pCbN = B. T. (North American)  
pCbO\* = M. L. (Swedish)

## [ 16 TURNS ]

pCbN 9 We felt your targets were [ / sec] maybe a little strong, in the fact that they represent a doubling each year, when the market itself is only doubling=  
pAqN That's right.  
pCbN 9 =every two years. | -eh- [ / sec] Again, if we look at the position, if we had New=  
pAqN Um-hum  
pCbN 9 =South Wales, of course then we could commit to -eh- | to doing quite a bit=  
pAqN Um-hum  
pCbN 9 = more business, or having a higher target. -eh- We had thought about additional target, without New South Wales, of fifty thousand cases a year. With New South Wales, seventy thousand cases a year.  
  
pAqN 9 Um-hum. [ 2 secs] Yes. Yes.  
  
pCbN 10 And where we get that figure: fifty thousand - we're doing thirty thousand cases a year now, for you presently. That would represent a healthy increase in the first=  
pAqN Um-hum  
pCbN 10 =year. | And the other fact: -eh- a lot of it depends on how much you're going=  
pAqN Yes,  
pCbN 10 =to put into the marketing of it. We can everything, but if the advertising -eh- isn't there, and the money isn't in the marketing, people aren't going to buy it no matter -eh- no matter what. | We might - we could probably feel more comfortable=  
pAqN Um-hum.  
pCbN 10 =with higher targets, if we had an idea that you're really going to be committed to selling this product.  
  
pAqN 10 Well, [ / sec] our present dis- our present distribution that - that we have in -eh- Australia is, minus New South Wales is fifty five thousand, so that's below what your - what you think your target could be.

## [ 6 TURNS ] [re distribution rights & targets]

pCbN 14 So if we became exclusive, we would be able to jump to that number right away, one would think.  
pAqN 14 That's - that's without - that would be without any effort on your part. Now you've talked about marketing: what would you be willing to - to offer us in way of - of marketing our product within -eh- Australia ? [ 2 secs]  
  
pCbN 15 [ to pCbO\* ] What do you think about that one ? [ aloud ] We hadn't really looked at the marketing aspect, other than our normal sales calls | as - as a distributor,=  
pAqN Um-hum

- pCbN 15 =you know, something could probably wo- be worked out along those lines.
- pAqN 15 Um-hum, Um-hum,  
I mean obviously what we're looking at is a - is a huge increase in your business if -eh- -eh- we go through with this contract, -eh- [2 secs] Because of the - of the - of the potential there is there. So as I said, what I'd like are some kind of reassurances and ideas on your part what you would do sort of to market the product and -eh- redouble your efforts.
- pCbN 16 Well, we could certainly look into - with an exclusive arrangement - with putting more effort into it. I guess I was wondering, do you have an idea that you're willing to commit thirty percent more resources than last year in advertising? Or where do you stand on advertising costs and things like that?
- pAqN 16 -eh- Well, what we would be looking for -eh- is - At the moment, -eh- your mark-up is thirty percent. And what we would expect for -eh- the opportunity of sales that - that we are offering here is some kind of commitment on your part to -eh- sales, because -eh- well, you see a thirty percent mark-up is quite considerable when you're talking about a hundred thousand cases, -eh- And -eh- what I would be looking for would be at the moment a -eh- for the marketing to - to come from Cobber.
- pCbN 17 So it's for us to do the marketing, advertising and everything.
- pAqN 17 -eh- Yes, -eh- -eh-
- pCbN 18 Out of our markup, Because of course that isn't the way it is now;=  
pAqN Um-hum  
pCbN 18 =you're - you're providing marketing, and -eh- you're providing advertising expense and those kind of things now for the product, Generally a distributor=  
pAqN Um-hum Um-hum, Um-hum,  
pCbN 18 =doesn't pay for the advert- we do local ads, but you're responsible for the over-all advertising, -eh- [3 secs]  
pAqN [very softly] Um-hum.
- pAqN 1 [to pAqN] Want to break?
- pAqN 18 No, no - Eh-
- pCbN 19 As far as the price, -eh- presently at forty-eight, plus your markup of twenty=  
pAqN Um-hum  
pCbN 19 =percent, plus - plus the freight, -eh- What plans do have on the price, if we=  
pAqN That's right.  
pCbN 19 =can commit to larger numbers?

## [58 TURNS]

- pCbN 52 You mean one fifty just for New South Wales?
- pAqN 45 One fifty including New South Wales. What we would need for that would be some=  
pCbN Total,  
pAqN 45 =kind of idea of what sort of marketing input and advertising input you're willing to put into guarantee those sort of -eh-
- pCbN 53 Well, if we get New South Wales, [2 secs] and we could work on price, that would



- give us more of a margin to spend on advertising. | And with the market growing=  
pAqN | Um-hum  
pCbN 53 =the way it is, [2 secs] we would even be willing to do something along the lines  
of, if we don't make our one fifty, we would buy that much anyway.
- pAqN 46 Yeah, Yeah, Kangarouge at the moment have agreed to our original prices of -eh-  
and the price increase, so at the moment Kangarouge are agreeing including frieght,  
to a hundred and twelve dollars per case, which is sixty- [3 secs] which would work  
out to sixty-five dollars, and you pay freight and insurance.

#### [10 TURNS]

- pAqN 52 Um-hum, Doubling every year ?
- pCbN 59 Doubling every year. | We'll put increased marketing, but at fifty five dollars=  
pAqN | Um-hum  
pCbN 59 =a case, ex UK,
- pAqN 53 Fifty five ex UK ?

#### [4 TURNS]

- pCbN 62 [to pCbN] Run those numbers and see what we can - see what we can do. I don't see  
how we could give much more than that.
- pAqN 55 Our minimum would be sixty dollars; absolute rock-bottom minimum sixty dollars,  
[3 secs] And we would - we would also require some kind of written commitment of  
what you're going to do about marketing, because that's important,
- pCbN 63 In the way of that, what would you be looking for | - specifically, I mean we can=  
pAqN | -eh-  
pCbN 63 =give you sales | plans and things but that doesn't guarantee results, | -eh-  
pAqN 56 | Um-hum, Um-hum, | Okay. But you  
would also be given - -eh- yeah, We would [aside to pAqN] that's right, -eh- I  
think within what they'd require to do if they were buying more stocks, so that -  
that would ensure that they'd have to -
- 57 [aloud] Eh - but we would like to see -eh- within - within two years, Acquascot  
number one mineral water in Australia. For that we would be perhaps looking for a  
longer term relationship, obviously.

#### [42 TURNS]

- pCbN 86 We're just looking at the pricing, -eh-
- pAqN 79 Sure, Sure, [4 secs]
- pCbN 87 That really cuts our margin down -eh- I don't know how much advertising we can do  
for you, I'm not saying we couldn't make some of these numbers, but we wouldn't be  
able to spend much on - on advertising or those kind of things. Because that takes  
- we don't think we can raise the price of this product much; over the years there's  
going to be a lot of competition, cause the market's growing as you well | know,=  
pAqN | Um-hum  
pCbN 87 =Eh - [2 secs]

pAqN 80 But as - as you know, you - you - you've been carrying our products sort as side lines for a while; it's an excellent product, It sells itself, virtually.

[26 TURNS]

pAqN 93 You said - you said - you said - You said fifty five for Year One, Year Two and then go up, so I'm just suggesting that we do it annually, rather than once every two years.

pCbN 101 We don't want to - It'll depend a lot on each year; we may not be able to take those increases. Like, right now, the market's growing but there's a lot of competition. Prices are stiff, and we can't raise the prices. The only reason we're asking for a bit of reduction the first two years is to get the product established in the=

pAqN 101 =market shar- place, and give us the margin to spend on advertising, | Don't=  
pCbN 101 | Um-hum  
pAqN 101 | Right

pCbN 101 = think - think of it as the extra dollars going in our pocket; it's going into advertising, which is going to help both of us in the long run,

pAqN 94 | Um-hum | Um-hum, | We could

pCbN 102 | In your figure of one point two by Year Four is a bit optimistic, unless we can get some price concessions. And I'm saying, we'll - we'll spend the extra on advertising for you, [2 secs] Cause it's in our best interests to meet these goals as well, since - remember we did agree we'd pay for them.

pAqN 95 Um-hum. What we could do on that I think is to go back to the exclusive of New South Wales,

[54 TURNS]

End

AGENCY: Transtema MARKETING TURNS

EXCV	NSW	RIV	TRGT	STCK	COST	TRMS	MKTG	IMGE	MKT	MARK	PRCE	PRCE	CON-
DIST	DIST	ALS	P. A.	HELD	EXUK	PYMT	PUSH		POSI	UPS	LEV	CTRL	TRACT

67 turns

s/w topic shift	Aq38 Cb37	Cb37	Cb37
		Aq	
	Cb38	Cb	
	Aq	Aq	
open Q		Cb	
ackn; open Q		Aq	
info		Cb	Cb40
=open Q		=Cb40	
prop		Aq	
ctr-prop		Cb	
new prop		Aq	
confirm chk		Cb	
topic shift (tie in)	Aq44	Aq	
topic shift		Cb43	

19 turns

info		Aq53
prop	Cb54 Cb54	Cb54
clarify Q		Aq

38 turns

summary	Aq71	Aq71	Aq71			Aq71	Aq71
summary				Cb75			
ackn				Aq			
				Cb			
ackn				Aq			
				Cb			

2 turns

Agree and End

# Transtema Agency: MARKETING TURNS

tAqN\* = H. C. (Swedish)

tCbN = C. K. (British)

tCbO\* = K. N. (Swedish)

## [67 TURNS]

- tAqN\* 38 Because I don't know if we - in -eh- our -eh- factory have some problem to -eh- send more than one hundred forty thousands; I believe you can have one million if you would like.
- tCbN 37 Well, let's hope we can work that way. As we can see that the -I mean they're=
- tAqN\* Yeah.
- tCbN 37 =talking about a one and a quarter million sales, -eh- and - and -eh- of the total=
- tAqN\* Um-hum
- tCbN 37 =water per annum, and this is going to -eh- double, annually, then really we've=
- tAqN\* Um-hum
- tCbN 37 =got to -eh- increase - I th- (A), I think we have to increase the -eh- not just to increase the sales with the existing customer base, but between us we must really=
- tAqN\* Um-hum
- tCbN 37 =attack them with a good strong marketing policy. -eh- I don't know whether you=
- tAqN\* Um-hum
- tCbN 37 =agree, but I think it's quite important that we do -eh- market this product in the best possible way -
- tAqN\* 39 Of course, Of course, It's very very important to - to -eh- have a very strong market, and -eh- then you know from earlier that -eh- our policy is to do our best for -eh- our agents, to help them in the market,
- tCbN 38 Do you - do you agree though that -eh- it would be to our mutual advantage to have a - a country-wide marketing campaign, with us as your sole agent, because then you would get the maximum return on the one marketing policy [smiling voice], if you see what I mean,
- tAqN\* 40 It sounds interesting.
- tCbN 39 Good, I - I - I'm glad that's of interest, -eh- [/ sec] And you are - are you committed to - to doing any particular cam- campaigns through the forthcoming year ?
- tAqN\* 41 Well, we have - we have -eh- in fact -eh- discussed this in one of our board meetings, and -eh- -eh- we have made up a little - little thinking if we can do something in the beginning, and we will like to hear your -eh- point of this, what do you think we can do, and -eh- have you make some any calculation of what I can cost with the market, well, especially -eh- to support the market in the beginning ?
- tCbN 40 I think the - the market needs a - a - a big push, I think they need -eh- with=
- tAqN\* Yeah ?
- tCbN 40 = this particular product, we have to -eh- I think they have to be convinced that it's quality, not price, -eh- because it is the highest priced brand on the=
- tAqN\* Um-hum
- tCbN 40 =and market, and it is a quality brand. But as I said earlier on in our discussions,

- people have this tendency to buy cheap because they're on a tight budget or something. It would appear to them to be the more economical decision. And I think you need a - quite a strong push to -eh- probably impact them -eh- aimed at say, the - the health aspect of it. You know, this is something that although it cost's more, it is better for you, [laughter] That type of -eh- that type of attack, if you like, which currently is -eh- quite appealing to people; they can -eh- they can relate=
- tAqN\* Um-hum
- tCbN 40 =to that in this general -eh- this day and age, -eh- And I think you'd probably - It - it would require a certain amount of investment to do that, |there's no doubt about=
- tAqN\* Um-hum, um-hum, um-hum
- tCbN 40 =it; you've got to -eh- What - what sort of -eh- terms were you thinking of ?
- tAqN\* 42 We have think about -eh- let me see, in - around two dollars per case to - to start -eh- this first initially support, and -eh- yeah, let me say that we do that for the first six months ? [2 secs] That we give you extra support of two dollars per case for this first six months, [2 secs]
- tCbN 41 We were -eh- thinking that it would -eh- possibly be better to -eh- to get the major impact, although six months is a short time, we would be willing to agree to it, because we were considering a year, -eh- I think we could concede that perhaps it would be viable over six months if we could put a little bit more money into it, if we went to something like -eh- three fifty, then you would -eh- be more inclined to [1 sec] -eh- widen the customer base, [2 secs]
- tAqN\* 43 We are talking about a six-month period, seventy thousand cases, and you said three fifty, that's made two hundred and forty five; that really is not in the - that's over my budget. So let's make it another calculation; two hundred ten, I have a budget of two hundred. Okay; I think I can arrange three dollars per case.
- tCbN 42 Three dollars a case, [2 secs]
- tAqN\* 44 And for - based on the six-months sales of seventy thousand, [5 secs]
- tCbN 43 So that really just leave us to discuss -eh- the price per case, [laughs]
- [19 TURNS]
- tAqN\* 53 No, I understand that, but I think you will - we will sell to the other comp- to the other stores for a higher price, because superstores is the specially low price c- shops.
- tCbN 54 The - the other - the other people won't qu- take quite so much -eh- but it's the price that it would go to the consumer, then, you see; we have to - we have to think about that, because as we discussed earlier, |to - to impact them with this new marketing policy, -eh- and make=
- tAqN\* Um-hum
- tCbN 54 =them aware of the healthier objectives of the - of buying the drink, then -eh- maybe we could try and lower a price to the actual end user a fraction, by lowering the wholesale price, if you like, To the - to the |superstores.
- tAqN\* 54 How much ?

## [38 TURNS]

- tAqN\* 71 Yes, Start with the first year for one hundred and forty

## Appendix Section 4

thousand -eh- cases, To a price -eh- of fifty five twenty, or forty eight plus fifteen percent, and you will during the first year do your best to rise the price= fifteen

tCbN  
tAqN\* 71 =from your today sales price ninety, with fifteen percent, which means -eh- ninety plus fifteen percent; one hundred and three and fifty. And that is the difference between these two of thirteen fifty, and of this thirteen fifty you take twenty-five percent, that's mean three thirty eight, and we get the other one.

tCbN 75 And - in addition to that you will give us three dollars a case.

tAqN\* 72 Yes. For - for -eh- marketing support. And we're talking about six months' period,=  
tCbN marketing -  
tAqN\* 72 =and after that we will - we will take up the discussion to see how we - how are we - how it's - you manage it and what we can do with it, so forth,

tCbN 76 And how - wh- what we can do next,  
Yes,

tAqN\* 73 Yes. Yeah,

tCbN 77 And we can go from there,

tAqN\* 74 Yeah,

tCbN 78 Okay, Thank you very much,

tAqN\* 75 Thank you very much,

E N D



## AGENCY: Volvo, MARKETING TURNS

EXCV DIST	NSW DIST	RIV ALS	TRGT P, A,	STCK HELD	COST EXUK	TRMS PYMT	MKT6 PUSH	IMGE	MKT POSI	MARK UPS	PRCE LEVL	PRCE CTRL	CON- TRCT
--------------	-------------	------------	---------------	--------------	--------------	--------------	--------------	------	-------------	-------------	--------------	--------------	--------------

## 9 turns

meta; confirm Q  
confirm; signal  
topic shift

Aq  
Cb      Cb5  
Cb6      Cb6      Aq7      Cb6

## 12 turns

ackn; topic shift  
=topic shift  
prop

Cb13      =Cb13      Cb      Cb13      Cb13      Cb13      Cb13

clarify chk  
info  
ackn  
prop  
confirm chk

Aq15  
Cb      Aq15  
Cb      Aq15  
Cb      Cb15  
Aq      Aq  
Cb      Cb

## 6 turns

confirm chk  
interrupt

Aq20      aq1      Aq20

prop  
info

Cb19      Aq21=      Aq=      Aq21=

=prop  
reject

=Aq      Cb21      Cb

## 11 turns

info

Cb28  
cb  
Cb      Cb29  
Aq      Aq

prop  
clarify Q  
info  
topic shift; prop

Aq28      Cb31  
Aq      Aq29  
Cb32

## 13 turns

summary; invite prop  
confirm chk

Aq37      Aq37      Aq37      Aq32      Aq37  
Cb      Aq      Cb  
Aq      Aq      Cb

topic shift  
signal  
invite prop

Cb44      Aq40      Aq40      Aq40  
Aq      Cb

## 33 turns

ctr-prop  
acceptance chk  
ctr-prop  
reject  
new prop

Cb      Cb57      Cb57  
Cb      Cb      Cb  
Aq      Aq      Aq56  
Cb      Cb      Cb  
Aq57      Aq57

## 3 turns

new prop  
ctr-prop  
? agree (interrupted)

Cb61      Cb61      Aq      Cb61      Cb61      Aq59  
Aq      Aq      Aq      Aq      Aq      Cb  
Aq      Aq      Aq      Aq      Aq      Cb

## 4 turns

AGREE AND END

## VOLVO Agency: MARKETING TURNS

vAqN\* = P. W. (Swedish)

vAqQ = B. H. (North American)

vCbN\* = J-L. D. (French)

vCbQ\* = G. L. (Swedish)

## [ 9 TURNS ]

vCbN\* 5 Okay, -eh- A few things, We'll talk later about this -eh- this -eh- level production of sales, from Year One to Year - sorry, you want to make it on four years, right ?

vAqN\* 7 We think it would be possible, yes, and -eh- of course -eh- we have to do some marketing efforts and we are prepared to assist you.

vCbN\* 6 Okay, -eh- before very long this sales scale I mean -eh- first of all, we'd like to talk about the price, I mean right now we are - you are selling your products in this spring water at forty eight dollars, right ? That's correct ? You take=

vAqN\* Yes

vCbN\* 6 =already twenty percent -eh- margin profit on that, right ? And shipping and insurance, which is - represent twenty percent, right ? We reach a price right now -

## [ 12 TURNS ]

vCbN\* 13 Okay ? [ 4 secs ] Now, regarding your price, Your price right now is forty eight, right ? Plus twenty percent, Okay; this makes quite some money, a lot of money, - eh- especially we want I mean -eh- cover - as the main distributor in Australia we want to keep, I mean to maintain the policy, you know the pricing policy from Spring waters, because I fear that if the price increased too much, -eh- we may be forced I mean either I mean to look for another brand maybe, I mean because well, we know that for instance we - of course you - we we- are dealing already with you that we - you have competitors, of course and being one of the main distributors I mean we are very often -eh- -eh- visited by your competitors, of course, trying to go through our cover to implement their own product, Right ? Throughout Australia, Except=

vAqN\* Yeah,

vCbN\* 13 =the territory of the New South Wales, where we have not yet sell -eh- I mean your product,

vAqN\* 15 And we expect by -eh- -eh- pushing out a hundred thousand the first year to a hundred thousand the next year etc. that -eh- the market price can be increased from ninety dollar a case to a hundred and twelve, And this again is something we=

vCbN\* Okay -

vAqN\* 15 =have to -eh- -eh- look upon, bearing in mind -eh- the additional costs for marketing and we have to pay for this like that,

vCbN\* 14 Okay, Marketing is something we have to come now, because -eh- -eh- you are asking us I mean to sell a hundred thousand cases a year, which is - you know, in my opinion is too much compared I mean with the marketing

vAqN\* Yes

## Appendix Section 4

- vCbN\* 14 support we have right now from your company. It's definitely too low and right we can't afford with this support I mean to sell more than fifty thousand - fifteen thousand - fifty thousand cases a year.
- vAqN\* 16 So, -eh- in addition to what the costs are -
- vCbN\* 15 It's I mean - I mean the sales - our total shows directly proportional to the marketing support of course, marketing support has the strongest effect on the sales. The more support you put, I mean the more we will be able I mean to sell=
- vAqN\* Sure
- vCbN\* 15 =right now, I'm based - and I can tell you we have plenty of experience because we are various - we are selling other products similar to spring - not I mean in=
- vAqN\* Um-hum
- vCbN\* 15 =competitive -eh- competitive product, but other products- I mean we need a strong support. And we cannot accept, based on the marketing support we have right now, and as before I mean what is your -eh- power in increasing your - your marketing support, but right now in Australia and compared with what our competitors, other distributors are doing, we cannot sell more than fifty thousand cases a year, definitely.
- vAqN\* 17 You say fifty thousand, that's a maximum,

## [ 6 TURNS ]

- vAqN\* 20 Eh - just to make it fully clear: you say fifty thousand are the maximum cases at a=
- vCbN\* cases
- vAqN\* 20 =retail price of-
- Aq2\* 1 What - what were you - what - what are you suggesting to us -
- vCb0\* 1 [indistinct] our support.
- vCbN\* 19 Yeah, Fifty thousand cases on five years, but with a - a - target of eight hundred thousand cases at the end of five years -eh- of Year Five, right? Which means that we - we - we meet your requirement, not on four years but on five years. We need more time, I mean, to -eh- to reach this level, which is based again, partly based, on the strong marketing support, which we need from you. A stronger one.
- vAqN\* 21 Well, if we look at the fifty thousand -eh- volumes, then, and at a retail price of ninety thous- -eh- ninety dollars, then -eh- really it's not much in it for us, because -eh- we have as you perhaps know other distributors which we are negotiating with, and -eh- in that case I don't think we can -eh- give you any additional=
- vCbN\* Um-hum
- vAqN\* 21 =marketing support, so -eh- -eh- if you expect the price to be -eh- raised by let's=
- vCbN\* 20 That's a problem,
- vAqN\* 21 =say -eh- ten dollars then we can discuss how much marketing efforts -eh- we can put -
- vCbN\* 21 Well, it's difficult because I mean right now I mean I think if we want to I mean to really I mean to - to enter into this market with - with you, I mean we have keep the price I mean as low as possible, I mean to try to get as much as market as possible. Right?

## [11 TURNS]

- vCbN\* 28 How could we jump, I mean for -from the thirty thousand cases a year to a hundred thousand cases a year right away like that? This is actually quite impossible, it's more than - how much percent; quite a lot.
- vCb0\* 2 Three hundred percent.
- vCbN\* 29 Three hundred percent. You see, it's incredibly high. I think I mean if you want=
- vAqN\* How can -
- vCbN\* 29 =really I mean to develop this market, we ought maybe to make it a little bit slower and then make sure that by Year Five we can reach eight hundred thousand dollars by - eh- eh- reasonable policy, and -eh- bigger supp- support from your market meanwhile. Again, I mean I cannot commit for more than fifteen thousand -eh- fifty thousand cases a year based on the actual marketing support. [7 secs]
- vAqN\* 27 Well, I would say that -eh- you actually can -eh-
- vCbN\* 30 Besides - yeah?
- vAqN\* 28 Eh - fifty five thousand would be an absolute minimum. On the volume side,
- vCbN\* 31 Based on a price of? Forty eight? [3 secs] Lower price.
- vAqN\* 29 Well, we have to take this marketing -eh- effort into consideration here, so -eh- [quietly, writing] Let's see, what does that make -
- vCbN\* 32 You know, what -eh- I don't know if I mentioned it but we would like also to get better price for you - from you; I mean from forty eight to forty dollars.

## [13 TURNS]

## B R E A K

- vAqN\* 36 Okay, let's go through your -eh- offer once again.
- vCbN\* yes yes,
- vCb0\* 4 [to vAq0] We'll put up in here.
- vAq0 4 Yeah, everybody in here tonight, yeah.
- vAqN\* 37 Eh - so you are asking us to cut the price by sixteen percent, -eh- What do we get in return for that? I mean -eh- there's no incentive for us just to cut our price to you, -eh- One month's stock reduction -eh- or - or - or retaining is -eh- =
- vCbN\* Um-hum
- vAqN\* 37 =also something we could discuss, but the question is what - what are you prepared to give us in return? -eh- If we look at the -eh- fifty thousand, -eh- that is a level which we already today consider being too low, so -eh- we would like have a commitment from you in order to increase that, -eh- The letter of credit; -eh- we would like to discuss that in terms of relating it to this commitment to the volumes rather than just -eh- invoicing on actual volumes. And furthermore, if we=
- vCbN\* Um-hum
- vAqN\* 37 =look at the marketing support, -eh- our calculations based on the volume of a hundred thousand indicate actually that -eh- we have a marginal cost which has to be covered by something slightly, you know -

- vCbN\* 41 | Yeah; | I'm going to help you, By -eh- asking us to sell a hundred thousand cases you will be able to spend more money on marketing support, is that right? More or less what you are saying I mean different; the more you sell I mean, the more you can put some marketing support, Is that so?
- vAqN\* 38 Yes but what do we get in return for that? I mean if we do put in all the money, what are the tradeoffs?
- vCbN\* 42 The name of Cobber. [laughter]
- vAq0 5 Oh, that.
- vCb0\* 5 The big stock that we keep for you.
- vCbN\* 43 Yeah, yeah.
- vAqN\* 39 Well, you've already reduced this stock for us -eh- so-eh-
- vCbN\* 44 What about the New South Wales? I mean, are you prepared I mean to give us the sales? [2 secs]
- vAqN\* 40 -eh- We [/ sec] could very well consider -eh- the New South Wales, but that would of course -eh- give some indication on the expected volume | -eh- the price, =
- vCbN\* | Um-hum
- vAqN\* 40 =and again, -eh- taking the marketing support into consideration, we have -eh- the marketing costs, which we have to - to cover.
- vCbN\* 45 Okay, -eh- As far as the price is concerned, I mean do - do you make any offer, or -
- [33 TURNS]
- vCbN\* 57 If you want to do that, I mean we have to reduce the price, I mean, forty eight dollars is just not acceptable to sell one million bottles, | And naturally it=
- vAqN\* | That, I mean - mm-m -
- vCbN\* 57 =depends on the conditions, I mean we - we said that here; I mean, we want a letter of credit, -eh- a price of forty dollars, one month's stock, we start with seventy five thousand cases a year, we agree for one million bottle.
- vAqN\* Yeah -
- vCbN\* 58 Will you accept that?
- vAqN\* 56 I can accept that if -eh- at a price of forty eight dollars, provided that you take care of the marketing.
- vCbN\* 59 Forty eight dollars will be too much. You increase by two hundred thousand -eh- cases right, which makes a big - much bigger turnover, so you can afford anyway to spend much more on the marketing. And you have to pay for the marketing, I mean you are better I mean in position than I, I mean, to - to - to - to bring the marketing support. Marketing support is something that cannot be brought by the distributors, it has to be brought by the people who are producing the product. Because they know much better than - than we know it, and we need the support for us.
- vAqN\* 57 On the other hand, you have reduced your stock and -eh- we haven't yet agreed upon -eh- the invoicing terms, so if we say that we invoice upon -eh- -eh- by letter of credit, then actually -eh-

## Appendix Section 4

- vCbN\* 60 But reducing the stock -eh- to - from three month to one month doesn't mean a loss for you, because you just have to produce according to the frequency of sailings. So it doesn't mean anything. It's not -eh- I mean | I mean, it's just=
- vAqN\* 58 | But we have to cover our
- vCbN\* 60 =that we want to avoid to have so big stock I mean in Australia. You just have to - eh- adjust your production to the consumption in Australia, based on the frequency of sailings we have from UK to Australia, [1 sec]
- vAqO [to tutor] Is it time ? We're not ready yet.
- Tutor; Two minutes.
- vAqN\* 59 I'm prepared to -eh- go down -eh- to a price of forty five | -eh- provided that=
- vCbN\* | Um-hum
- vAqN\* 59 =you then take care of the marketing support,
- vCbN\* 61 Okay, I'm going to make you a counter proposal: I can go up to four - to forty five dollars, all right ? | Okay ? Provided that we maintain one month's stock, we=
- vAqN\* | Um-hum
- vCbN\* 61 =start with seventy five thousand cases a year, up to one million bottle- one million cases in Year Five. | We -eh- get of course the New South Wales sales, all |right ?=
- vAqN\* | Yes
- vCbN\* 61 =We have your marketing support. This is definitely I mean something which must be done by the producer not by us; it's important. And there's the letter of credit, which is essential. We cannot afford I mean to pay you before the cargo has left Scotland. This is impossible. [2 secs] [to vCbO\*] You have to write, because if not I'm going to forget the terms, [laughter]
- vAqN\* 60 Well, in that case, | I would say that -
- vCbN\* 61 | 'a case of the spring waters, spring waters', yes ? [laughs]
- vAqN\* 61 Yeah, - then -eh- we would like to have the option to terminate the whole agreement if you don't reach the target levels,
- vCbN\* 62 Okay, okay. We give it, okay.
- vAqN\* 62 Okay, [laughter]
- [general murmured review of final terms; 15 secs]
- vAqN\* 63 I think we made a very bad deal !

E N D